

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

April 7, 1992

Council Chamber

Committee Members Present: Judy Wyers (Chair), Ruth McFarland (Vice Chair), Roger Buchanan, Sandi Hansen, George Van Bergen

Chair Wyers called the regular meeting to order at 5:31 p.m.

1. Solid Waste Updates

o General Staff Reports

Bob Martin, Director of Solid Waste Department, introduced Roosevelt Carter, Solid Waste Budget and Finance Manager, who presented the Monthly Staff Report for the Solid Waste Department for the month of February, 1992. This document has been made a part of the permanent meeting record. Chair Wyers asked Mr. Houser to review the report after the meeting.

Mr. Martin discussed correspondence he had received from three neighborhoods in the Portland area expressing concern regarding mitigation of funds for neighborhood clean up events. Mr. Martin said he was not prepared to recommend a transfer of appropriations for this purpose FY 1992-93 because of reduced tonnage activity and reduced revenues, and noted \$13,000 was budgeted for the City of Portland for the events. He felt the neighborhoods would be able to cover their costs, but, he said, it appeared there was apprehension by the neighborhoods as to whether or not they could do so. In response to Councilor Van Bergen, Mr. Martin said a drop off fee of \$2 per vehicle for scrap metal, and said there was a waste charge for tires designed to cover the market rate for transporting the tires to the tire chipper. Chair Wyers agreed a budget amendment was not in order, and felt Metro should not be involved in a dispute between the neighborhoods and the city. Mr. Martin said the total proposed budget for neighborhood clean up events for FY 1992-93 was \$20,000 for SOLV-IT and \$29,000.

2. Discussion of Policy Issues Related to Committee Recommendations Concerning the FY 92-93 Proposed Budget

Chair Wyers asked that one policy issue from Agenda Item No. 6 be heard as Agenda Item No. 2.

Chair Wyers noted the question was whether the Solid Waste Department should loan the Transportation and Planning Department \$390,000 from the St. Johns Closure Fund to fund compiling a proposal to place before the voters for a vehicle registration fee. Chair Wyers wanted the Committee

(Continued)

to hear from Andy Cotugno, Transportation Planning Director, regarding the reason for the needing the money, from Mr. Martin regarding the prudence of providing the money, and from James Watkins, Solid Waste Engineering & Analysis Manager, who, Chair Wyers noted, had reported to the Budget Committee that within the next two years, the Department might be in a funding shortfall for the landfill closure process. She said based on the reports and discussion the Committee could make a decision whether or not to proceed with the loan.

Andy Cotugno, Planning Director, presented the staff report, said the law allowed Metro to ask voters for a local option vehicle registration fee up to the level imposed in the state, \$15 per year. He said the law also allowed for four other jurisdictions in the metropolitan area, Tri-Met and three counties, to do the same. Mr. Cotugno said due to the overlapping jurisdictions, the execution of an intergovernmental agreement between the parties involved was required prior to placement of the measure on the ballot. He said the agreement would stipulate the purpose of the funding, the amount to be levied, and by whom. He said the Council with the endorsement of JPAC and the support of the other parties involved through JPAC had recommended Metro proceed with the matter to ask the voters for such a fee for the purpose of funding arterials. He said a resolution was adopted by the Council in July, 1990 stating the purpose was to fund arterials in the metropolitan area and outlined a funding strategy for the Westside Light Rail project. He noted a funding strategy existed for major highways through state gasoline taxes. He said the issue had not moved forward in the ensuing year and a half because rules had changed at the federal level with the Service Transportation Act. He said decisions to be made included whether Metro should proceed, and if so, when, with the local option vehicle registration fee as originally envisioned for an arterial purpose, or for another purpose and if for another purpose, should another entity pursue the matter. Mr. Cotugno said the Department's proposed budget included a local option vehicle registration fee FY 1992-93 and for borrowing \$390,000 to fund the cost of defining the program that would be the basis for the ballot measure. He said determining which projects would be included and their description would need to be accomplished prior to placement on the ballot as well as engineering and financial support work to determine scheduling, engineering costs as well as contingency. He said should the ballot measure pass the resources from the ballot measure would repay the \$390,000. He said should the ballot measure fail the local governments who would have been the recipients of arterial projects would repay the loan. He noted the loan would be guaranteed in this manner, and said the loan was a tool to advance the issue. He said the staff plan was to use the statutorially required intergovernmental agreement 1) as a trigger point, which meant the work would not start until all parties involved had signed, and 2) as a contractual means providing for repayment either from the proceeds of the ballot measure or through a payment schedule as indicated in the agreement.

In response to Councilor Hansen, Mr. Cotugno said Oregon law permitted interfund borrowing and mandated interest charged, which he noted would be at the prevailing rate. Mr. Martin said the Solid Waste Department making the loan would not impact the funds available for closure activities. In response to Chair Wyers, Mr. Cotugno agreed a deadline of two years could be placed on repayment scheduling.

3. Oregon Hydrocarbons, Status of Company's Petroleum Contaminated Soil (PCS) Facility

Mr. Martin said Oregon Hydrocarbon has started up operations at their new facility, and had begun to receive PCS. Mr. Martin said the question raised was whether any PCS should be allowed to go to landfills, and said Mr. Johnson hoped the Committee would answer that question in the negative given the processing capability to handle PCS, for which Mr. Martin advocated should be competitive capability. He said he felt the flow control issue in the matter was worthy of discussion. Mr. Martin noted Mr. Johnson had \$4.5 million invested in a permanent facility which was environmentally preferable to landfilling PCS. He said Mr. Johnson's question was what can be done to assure PCS were delivered to such a facility.

In response to Chair Wyers, Mr. Martin agreed to bring forth a resolution within the next two months proposing policy that PCS's be directed to PCS treatment facilities in preference to landfills, and noted he had two additional applications for PCS processing facilities. The Committee and staff discussed the criteria delineated in the franchise agreements for the process for treating PCS.

4. Resolution No. 92-1557A, For the Purpose of Authorizing Issuance of a Request for Proposals for a Study of Weight-Based Collection Rates as Economic Stimulus for Recycling and Entering into Multi-Year Contracts with the Most Qualified Proposers

Terry Petersen, Senior Solid Waste Planner, presented the staff report, and said a resolution to approve an RFP for a regional study with local governments and haulers coordinated by Metro for "garbage by the pound" had been recommended by the Committee to the full Council for adoption. Mr. Peterson said haulers and local governments were interested in further discussion, and the Department had requested a delay in voting on the resolution at that time. He said a series of meetings had now taken place, and said resulting changes in the RFP included 1) placing scales on trucks to collect weight data, and 2) testing of weight based rates. He said the RFP before the Committee proposed a study using truck scales for data collection, and said costs would be approximately \$50,000. Mr. Peterson said the study would begin in June and last 12 months. Mr. Peterson estimated cost would be approximately \$25,000 should the second portion of the study be necessary.

The Committee and staff discussed concerns regarding delaying portions of the study, waste reduction efforts, and local jurisdiction possible concerns over boundaries of authority.

Chair Wyers recommended the additional \$25,000 be placed in the budget for next year.

Motion: Councilor Hansen moved to recommend Resolution No. 92-1557A to the full Council for adoption.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

4. Resolution No. 92-1594A, For the Purpose of Adopting Program Activities for Year Three of the Annual Waste Reduction Program for Local Government

Steven Kraten, Recycling Section Supervisor, presented the staff report, and said the purpose of the resolution was to adopt recommended program activities for year three of the local government waste reduction program.

Mr. Kraten and Debbie Gorham, Waste Reduction Manager, responded to questions contained in two memoranda from John Houser, Council Analyst, dated April 1, 1992 and April 7, 1992.

Question No. 1. Mr. Kraten said new waste reduction program activities included: 1) construction demolition recycling recovery, and said Metro's own new headquarters was a model for this activity, and said the intent was to disseminate the information learned in the process; 2) Household Hazardous Waste programs to promote minimizing use of products that must be disposed of as hazardous waste; 3) "pre-cycling" through using products with less packaging; and 4) assessing viability of new curbside materials.

Question No. 2. Mr. Kraten said local governments had reported on school recycling, and schools were receiving presentations on recycling.

Question No. 3. Mr. Kraten said a centralized data base was planned this year, and said uses would include tracking the program, e.g. how many audits were being done, what size and type of businesses they were, and peer-match programs. In response to Chair Wyers, Mr. Kraten said approximately 100 waste audits had been undertaken, but noted that included malls as well as small businesses.

Question No. 4. Mr. Kraten said the purpose of the construction and demolition recycling and recovery activity was to bring awareness to

disposers of choices available to them. He said there were no plans to enforce that permittees identify a potential disposal site for materials other than tracing back through the local jurisdiction whether proper paperwork was completed.

Question No. 5. Mr. Kraten said through the Regional Solid Waste Management Plan, Metro had the authority to require recycling areas in multi-family, commercial and industrial sites.

Question No. 6. Mr. Kraten said the Public Affairs Department was to begin development in May a low cost communication plan. He said featured in the plan were: 1) a media series, such as the Earth Agenda, speakers bureau presentations, and newsletter feature inserts in pre-existing newsletters from local governments as well as other support from local governments.

Mr. Kraten said the communication plan would target the issues in questions 7 and 8 also.

Question No. 8. Mr. Kraten noted a parking lot site similar to the one day collection events would be used for a "mobile collection depot."

Mr. Kraten went on to address the questions in the April 7 memorandum.

Question No. 1. Mr. Kraten said the Annual Waste Reduction Program for Local Governments contained a section concerning Regional Reduce/Reduce/Reuse/Recycle/Recover Standards 1990-95 was used to form questions, which were sent to local governments. He noted Metro had suggested a smaller container could be used for curbside yard debris collection.

Question No. 2. Mr. Kraten said closure of the composter was deemed temporary in terms of continuing to meet recycling goals. He said more recovery at the source was underway. In response to Chair Wyers, Mr. Kraten a report was being prepared to give to the Committee at the next meeting regarding meeting recycling goals.

Question No. 3. Mr. Kraten said "rate incentives" for loads with a high recovery capacity were under consideration for the Metro Central transfer station, and said a report was forthcoming.

Question No. 4. Mr. Kraten said lumber and wood products recycling was very successful. He noted the report would include figures that would demonstrate that the greatest increase had taken place in wood.

Question No. 5. Ms. Gorham said the new paper recycling facility in Halsey would accept mixed waste paper, but said, their definition of mixed waste paper was termed "office pack" which was a combination of white ledger, colored ledger and sorted direct mail pieces without foil,

perfume or detergent. She said further information on the subject was begin gathered to present to the Committee.

Question No. 6. Mr. Kraten said PSU had just completed a study for Metro concerning multi-family recycling, and said the results were being made available to local governments. He said an activity planned for 1992-93 which included planning a program to offer recycling to all multi-family complexes by FY 1993-94. In response to Councilor Hansen, Mr. Kraten felt there was difficulty in advancing a uniformly applied policy acceptable to fire marshalls in various districts because of divergent points of view.

Chair Wyers requested Mr. Houser start a list of items for review for possible legislation.

Question No. 7. Mr. Kraten expected less high grading of loads in the future and more source separation of paper. In response to Chair Wyers, Mr. Kraten said although he felt the plan could be reviewed, he did not feel the plan should necessarily be changed, and felt high grading should be done when appropriate. Chair Wyers requested the plan be reviewed.

Question No. 8. Mr. Kraten said a recycling charge was built into the can fees, and Committee and staff discussed larger size families who might be recycling and yet have greater amounts of waste. Chair Wyers noted the statement in the waste reduction plan that said "each local government shall develop a rate structure that provides an incentive to reduce waste. The rate structure shall specify a higher per unit disposal for higher volume set-outs," and said she felt local governments could be out of conformance with the plan. Chair Wyers questioned whether the standards in the plan should be lowered or whether the plan was no more than a suggestion. Mr. Kraten said not doubling the charge when a second can was set out should be considered.

Ms. Gorham noted Metro staff meetings with the City of Portland brought forth determinations that the fee for the second can should be high enough to create an atmosphere where people would reduce and recycle as much as possible. She said the consensus appeared to be to wait one year and let the facts demonstrate yes or no.

The Committee and staff discussed questions of compliance with the waste reduction plan. Mr. Kraten noted Metro maintained a philosophy of cooperative compliance. He noted progress in programs toward compliance was considered a benefit. Councilor Hansen asked was there some way to build in a monetary incentive for progress in compliance. Mr. Kraten indicated the Metro Challenge program provided incentives noting entities received grants as appropriated for the program. He noted in the first year of the program one local government received no grant because they did not submit a program, and noted a grant to another

local government had been pro-rated to one half. He said the City of Portland had made progress.

Question No. 9. Mr. Kraten said local governments were invited to and were joining Metro staff on waste reduction audits within their jurisdictions. He noted haulers appeared to be in the process of taking over that function. Ms. Gorham said after meeting with the City of Portland and reviewing the outcome of their rate program and early results, the department felt their program was in full compliance with the plan. Chair Wyers said she did not object to non-compliance if the plan was a suggestion. She said, if the plan was policy, she did not agree that local jurisdictions and/or staff could not comply, but felt instead they should bring back changes for review. Mr. Martin said he did not think staff decided to arbitrarily change the plan. He said the department felt after careful review of the City of Portland's rate structuring that Portland was in compliance with the plan. Chair Wyers indicated she might disagree. Councilor Hansen asked if Portland continued at the present level, rather than increasing, would they meet Metro's challenge. Ms. Gorham said each year expectations and program activities were added, and Metro grants would assist jurisdictions to meet the goals. In response to Chair Wyers, Mr. Kraten said \$50,000 was proposed in the FY 1992-93 budget for the purpose of funding apartment containers for recycling. In response to Chair Wyers, Mr. Kraten said the amount was low because in FY 1990-91 the \$252,000 that had been budgeted had not been completely utilized. Chair Wyers felt a higher amount should be budgeted.

Chair Wyers opened a public hearing.

Estle Harlan, representing the haulers and Tri-County Consultants, testified before the Committee and said she had worked extensively on the rates and the way the rates were set. She felt the City of Portland had exceeded compliance with the waste reduction plan rate structure. She said residential cost of service in the region was not generally born by the householder, but rather, she said, commercial rates subsidized residential rates. Ms. Harlan felt such activity was a disincentive to the householder, causing more garbage to be thrown out. She said the City of Portland was the only city she knew of that charged cost of service to the householder. She said the City of Portland set the rate at \$17.50 before yard debris fees were added on, which, she noted, was the highest rate in the region for a householder. She said the City of Portland increased the rate for the roller cart and then deducted the rate of the 20 gallon mini-can by that amount. She felt the action made the 20 gallon mini-can affordable. She said haulers were finding approximately 25% of their customers changing over to mini-cans.

Jeanne Roy, representing Recycling Advocates, testified before the Committee. She said the Metro Council had adopted the first year's

waste reduction program standards which, she noted, included the language Chair Wyers read earlier in the meeting concerning the rates. Ms. Roy felt staff had decided differently in their discussions with the City of Portland. Ms. Roy said she did not agree with staff. She indicated she felt Portland should have changed its rates to comply with Metro standards. She said changes of such a nature should come before the Committee in order that the public and other interested parties have the opportunity to be heard. Ms. Roy recommended the plan be brought back before the Committee for review. Chair Wyers agreed and indicated that she intended to do so.

Ms. Roy presented her written testimony to the Committee dated April 2, 1992. She recommended two changes in the language in the Annual Waste Reduction Program language to assure results in the multi-family and commercial programs equal to the residential program in the form of amendments. Her testimony with amendments included has been made a part of the permanent meeting record.

Chair Wyers referenced Attachment B, of the FY 1992-93 Annual Waste Reduction Program.

Ms. Roy referenced Section 1. Multi-Family Recycling, paragraph one, Local Government Activity, for application of the first amendment to the language changing the last sentence to read: "Plan a program to offer recycling to multi-family units so that all tenants are served no later than June 31, 1994."

Ms. Roy referenced also Section 2. Commercial Waste Audits and Recycling. She referred the Committee to Year Two standard regarding commercial recycling, which she indicated read, "Regulate commercial garbage collection through franchise, license or other means that will enable the local government to implement a uniform commercial waste reduction recycling program." She said if the authority was granted, the next step would be to implement the program. She recommended deleting the words "Waste Audits and" thus changing the heading to "Commercial Recycling". She recommended adding a paragraph under Local Government Activity to read: "Implement a commercial waste reduction and recycling collection program."

Mr. Kraten said he supported the first proposed amendment, however, he said, he did not wish to support the second proposed amendment, and said the time frame was not feasible. Chair Wyers asked Mr. Kraten to explain what the problems were. Mr. Kraten said the haulers had a problem with the fair market value exemption which allowed what he termed "mosquito fleet" operators to take valuable recyclables from commercial establishments, leaving the haulers with no valuable recyclables. Chair Wyers asked why businesses who were working with operators and haulers would not wish to continue to do so. Mr. Kraten questioned whether all businesses could be incorporated into workable

system. Chair Wyers suggested putting the language into the plan as a trial effort. Councilor Hansen expected as individual businesses were audited, they would come before the Committee for decisions as to the extent of their involvement. Councilor Hansen agreed with the language in Ms. Roy's proposed amendment no. 1.

Main Motion: Councilor McFarland moved to recommend Resolution No. 92-1594 to the full Council for adoption.

Amendment No. 1

Motion to Amend: Councilor McFarland moved to recommend Resolution No. 92-1594A to the full Council for adoption with amended language as follows:

In Section 1. **Multi-Family Recycling**, paragraph one, Local Government Activity, change the last sentence to read: "Plan a program to offer recycling to multi-family units so that all tenants are served no later than June 31, 1994."

Vote on Motion to Amend: Councilors Buchanan, Hansen, McFarland, Van Bergen and Wyers voted aye.

The vote was unanimous and the motion passed.

Amendment No. 2

Motion to Amend: Councilor McFarland moved to recommend Resolution No. 92-1594A to the full Council for adoption with amended language as follows:

In Section 2. **Commercial Waste Audits and Recycling**. Delete the words "Waste Audits and" thereby changing the heading to "Commercial Recycling". Add a paragraph under Local Government Activity to read: "Implement a commercial waste reduction and recycling collection program."

Councilor Van Bergen and Councilor Hansen indicated concerns about issues the language did not address in terms of how implementation would take place.

Vote on Motion to Amend: Councilors McFarland and Wyers voted aye. Councilors Buchanan, Hansen and Van Bergen voted nay.

The motion failed.

Main Motion As Amended: Councilor McFarland moved to recommend Resolution No. 92-1594A as amended with the first amendment to the full Council for adoption.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

5. Resolution No. 92-1600, For the Purpose of Authorizing the Executive Officer to Approve an Amendment to the Agreement with Marx/Knoll Denight & Dodge to Produce Two Handbooks in Cooperation with the Oregon Department Environmental Quality

Vickie Rocker, Public Affairs Director, presented the staff report, and said adoption of the resolution would authorize the Executive Officer to approve a \$30,277 contract amendment with Metro's advertising agency.

Ms. Rocker said DEQ requested using Metro's contract with the agency and liked the handbooks produced for Metro by the agency. She noted a signed intergovernmental agreement with DEQ could be found in the agenda packet, and said DEQ would reimburse Metro the funds.

In response to Chair Wyers, Ms. Rocker said the handbooks would be completed prior to the end of the fiscal year.

Motion: Councilor McFarland moved to recommend Resolution No. 92-1600 to the full Council for adoption.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Chair Wyers indicated Mr. Lex Johnson of Oregon Hydrocarbons was present and requested his testimony.

Mr. Johnson said between January 29, 1992 and April 3, 1992 one thousand eight hundred ninety-two direct mail contacts had been made following telephone contact in order to determine the contact person in the organizations contacted. He said brochures or letters had been sent to each. Mr. Johnson said 149 soils acceptance packets had been mailed to oil companies, remediators, consultants, railroads, trucking companies, Washington consultants and others. He said the packets were for interested parties and contained procedures and credit applications among other information.

Mr. Johnson said from December 30, 1991 through April 1992 one thousand seven hundred sixty-five tons of PCS had been received for treatment. He gave figures for PCS received by regional landfills noting a margin of error existed, and noted bio-remediation was on the increase. He estimated 36,660 tons PCS were available for processing over the next three months of which he felt 12,934 tons was probable, or 35%. Mr. Johnson said tonnage figures from both Metro and DEQ were misleading to an extent as they included landfilling, bio-remediation, aeration leaving an unknown percentage for thermal treatment.

Mr. Johnson said a financial assistance bill, HB1215, was pending in the State of Oregon, and felt delays had resulted in PCS remediation. He said Measure 5 threatened personnel available to administer timely clean up of PCS sites. Mr. Johnson said his firm was dedicated to this market and would work with Metro staff and the Solid Waste Committee to provide accurate information for consideration. He expressed appreciation to Metro Solid Waste staff for their assistance.

Chair Wyers called for a five minute recess.

Chair Wyers reconvened the meeting at 7:50 p.m.

6. Discussion of Policy Issues Related to Committee Recommendations Concerning the FY 92-93 Proposed Budget

Chair Wyers said the question before the Committee was whether or not to consider a \$250,000 loan program at Metro and the abolition of the approximately \$350,000 1% for Recycling Program.

Forrest Soth, member of the 1% for Recycling Program Committee since its inception, testified before the Committee, and said the committee had reviewed approximately 200 applications for grants aimed at waste reduction, educational programs and market development for materials such as post collection materials. Mr. Soth said he had served as Beaverton chair of the Recycling Task Force for eight years, and said he had participated at several discussions at the National League of Cities meetings. He felt the 1% for Recycling Program had been worthwhile and successful. He said the criteria the committee developed emphasized innovative ideas for reduction of the amount and other use for the amount solid waste in the waste stream. Mr. Soth felt if criteria were broadened to provide expansion capabilities for companies not eligible for conventional loans, Metro would not have a guarantee of repayment, and said recycling ventures were speculative, but he felt the benefits outweighed the drawbacks. He noted administration of such a loan program would require constant surveillance, and raised the question whether Metro had staff to do so or would additional staff be necessary. Mr. Soth urged approval of the 1% for Recycling Program.

Estle Harlan, Tri-County Consultants, agreed loans outside the conventional loan arena were a risk, and said felt funding for some of the 1% grants should have come from the industry.

She felt if a \$7.00 per ton rate increase occurred, cuts must be made, and felt it was inappropriate for Metro to be in the 1% for Recycling Program, but said rather, industries should be supporting recycling research and development.

Jeanne Roy, Recycling Advocates, testified before the Committee and asked for clarification concerning the discussion. Chair Wyers said on the table for discussion were the following questions: 1) were the loans a good idea; 2) should the 1% for Recycling Program be eliminated; 3) should the loans be changed to the 1% for Recycling. Ms. Roy said Recycling Advocates had testified the previous year against the revolving loan fund because no clear benefit was seen, and said they did favor shifting money from the revolving loan fund into the 1% program. Ms. Roy said also \$50,000 was not enough funds allocated to the apartment containers project, and said local governments had staff resources ready to move on the project. She proposed the budget for apartment containers be set at \$200,000.

Mr. Martin said the rationale for eliminating the 1% for Recycling Program was mentioned in the Executive Officer's budget presentation as a cost reduction measure in a year in which costs and rates were increasing. He said the haulers were experiencing financial problems. Mr. Martin said the 1% for Recycling Program had been funded throughout four budget cycles, and said more than \$1.2 million had been spent on 34 projects. He noted some had been successful, some less successful, some had created publicity and interest in Metro. He acknowledged Mr. Soth's contribution to the 1% for Recycling Program Committee. He said the program had accomplished its purpose, and a point of possible diminishing returns had been reached. He said a revolving loan program would recycle the money as well as promoting recycling concepts. He noted questions had been raised as to how the loan program would be structured, how grants would be awarded, and said Ms. Gorham was working on the development of the loan program to fund activities which would produce repayment. He recommended the revolving loan program as a cost effective program.

In response to Councilor Hansen, Mr. Martin said it was not clear who would administer the loans, but said, discussion had taken place with Portland Development Commission in that regard. Councilor Hansen did not feel the implementation of a revolving loan program should be considered a risk, and felt Metro would be promoted, innovative ideas could be developed, and felt market development was crucial.

Councilor Buchanan felt the 1% for Recycling Program was beneficial to Metro and the community. He recalled the FY 1989-90 budget for the 1%

for Recycling Program was \$400 thousand, FY 1990-91 / \$350 thousand, FY 1991-92 / \$225 thousand, and said FY 1992-93 the proposal was for it to have nothing. He agreed with the views of Ms. Roy and Mr. Soth.

Motion: Councilor Buchanan moved to transfer money from the recycling loan program into the existing 1% for Recycling Program in the amount of \$100,000.

Chair Wyers asked the chair of the Budget Committee if it was the intention of the chair of the Budget Committee for substantive committees to make motions, or, she asked, did the chair prefer discussion with input brought back to the Budget Committee.

Councilor Van Bergen, Chair of the Budget Committee, said he wanted a position that was identifiable. He noted in years past substantive committees did not make recommendations to the Budget Committee, and said he did not have a preference whether it was in the form of a motion or discussion.

Councilor McFarland felt a revolving loan fund had merit since the issues of funding recycling ventures could be addressed with some possibility of return. She was not in favor of PDC administering the loans.

Chair Wyers opposed the proposed loan program and recalled problems with a loan program in the Water Department at the State of Oregon. She felt governments should not be in the business of loaning money, and said administration costs would be extensive. Chair Wyers supported Councilor Buchanan's motion, and asked if the remaining \$150,000 was to go to loans. Councilor Buchanan said that was implied with the motion. Councilor Wyers asked for clarification.

Motion Withdrawn: Councilor Buchanan withdrew his original motion.

Motion: Councilor Buchanan moved to transfer money from the recycling loan program into the existing 1% for Recycling Program in the amount of \$250,000.

Councilor McFarland felt a fund should be left for recycling programs and felt the likelihood of money being returned was small. She supported the motion.

Councilor Hansen supported a revolving loan program as a means to obtain a return on money loaned out.

Councilor Van Bergen asked Councilor Buchanan to state his motion and what he intended to accomplish with his motion.

Councilor Buchanan said he hoped to keep the 1% for Recycling Program as an ongoing program.

Mr. Houser said the budget contained a proposal for \$250,000 to be utilized in a revolving loan fund. He said he believed the intent of Councilor Buchanan's motion was to say the \$250,000 should be used to fund the 1% for Recycling Program instead of creating a revolving loan fund. Councilor Buchanan agreed.

Councilor Van Bergen did not support a revolving loan fund. He questioned the issue of staffing, supervising loan accounts and the issue of risk.

Chair Wyers supported the motion, and felt possible negative publicity Metro might receive was offset by raising recycling awareness. She said a loan agency's criteria might give payback a higher criteria than waste reduction, and noted the budget was for one year and no longer.

Councilor Buchanan called for the question.

Vote on Motion: Councilors Buchanan, Van Bergen, McFarland and Wyers voted aye. Councilor Hansen voted nay.

The motion passed.

6. Discussion of Policy Issues Related to Committee Recommendations Concerning the FY 92-93 Proposed Budget

Chair Wyers referenced question no. 3 in the memorandum from Mr. Houser dated March 31, 1992 concerning a proposed loan transfer of \$390 thousand from the Closure Account to a regional vehicle registration fee for transportation system improvements.

Councilor Van Bergen questioned how the fee would apply to registration in counties when some cities in the region are outside the county, and said he felt the whole of the three counties should be included. He felt a registration fee was needed, and questioned how percentages would be attributed to the cities.

Councilor Hansen felt agreement with the concept of the loan was not the issue, and said the loan would not incur costs. She agreed with the proposal.

The Committee discussed the issue of payback of loans and voters' options.

Chair Wyers noted for the record four members of the Committee were not in favor of the program, and said she preferred the Budget Committee deal with the policy issues involved.

Chair Wyers referenced question no. 1 from Mr. Houser's memorandum. Mr. Houser noted he understood staff would be able to present a figure to the Committee regarding the St. Johns Closure Account and the need for additional monetary contributions to complete the closure work.

Mr. Martin said the cost of closure at completion of the multi-year process would be higher than originally estimated at \$31.4 million. He indicated the proposed budget was set an appropriate level for funding the closure.

Chair Wyers referenced question no. 2 from Mr. Houser's memorandum, and said she felt the Committee should decide whether or not to fund landfill closure research.

Mr. Martin said a policy adopted by the Council purposed a portion of the closure reserve would be used to further meaningful and purposeful research. Chair Wyers clarified the amount was \$100 thousand and asked the Committee if they believed the amount was appropriate.

Councilor McFarland was in favor of the proposed appropriation, and noted types of materials to revegetate with were factors to be considered by Metro. In response to Councilor Hansen, Mr. Martin said the research was expected to last more than one year but not indefinitely, and said the matter of revegetation was important in terms of long term maintenance. Mr. Martin said research projects under consideration by the Department would be brought before the Council for review.

Councilor Van Bergen was interested to know if research studies had been conducted elsewhere in the United States that Metro could draw from.

Councilor McFarland said such research had not been done in the past as no landfill closure had been done at the level Metro was attempting.

Councilor Hansen commented the money would be well spent if the result were a usable piece of ground.

Chair Wyers referenced question no. 7 of Mr. Houser's report entitled "1992-93 Solid Waste Budget Introduction and Overview."

Ms. Roy addressed question no. 7 on page 2 of Mr. Houser's report. She noted the Solid Waste Plan, Waste Reduction Chapter, contained a provision to conduct an annual evaluation report of waste reduction programs in the region. She read from the chapter, "At a minimum this evaluation shall include Metro's local government programs, impact of programs on regional waste reduction goal..." and noted the chapter went on to say recommendations would be made if adjustments were necessary in the annual work program.

Ms. Roy said she was not aware of such an annual report, and said the annual Recycling Levels report gave a portion of the information but did not address recommendations for adjustments. Ms. Roy recommended such an annual report be produced with recommendations included.

Councilor Van Bergen said he understood Metro was close to 100% compliance with the consent order from DEQ.

Mr. Martin said a comprehensive evaluation was produced in report form each six months and sent to DEQ which assessed the status and the progress of Metro activities under the consent order and under the Metro Solid Waste Reduction Plan.

Chair Wyers referenced question no. 9 of Mr. Houser's March 31 memorandum, and asked for clarification concerning the Executive Officer's "rate setting process."

Mr. Martin said it was a discussion of the Rate Review Committee's process of working with the Department in the development of a rate recommendation and documenting the process by which the annual rate was derived. He said discussion would include the rate model, the assumptions behind the rate model as well as policy issues under discussion currently in the Rate Review Committee.

In response to Chair Wyers, Mr. Martin noted it was an internal process and included the intent to document the procedures, processes and assumptions used in setting the rate.

Chair Wyers noted Ms. Roy had encouraged the Committee to recommend more than \$50,000 for multi-family recycling containers, and asked for comment. Seeing no comment, Chair Wyers indicated discussion could be furthered at the Budget Committee.

Chair Wyers noted a question of whether or not the home demonstration sites should be handled through a temporary employee or through a contractor. She said a temporary employee was currently on board with Metro in that function, and said the proposal was the work should go to a contractor.

Mr. Houser said he had consulted with Personnel, and said extensive negotiations with the union concerning the issue indicated Metro would not be able to continue with a temporary employee in that capacity. He noted the program would operated for another year, and said the union contract was specific to say a temporary employee would work half the number of hours that would be expected for a full year. He said there was still a question as to whether or not the program would be managed cost effectively with a permanent employee.

In response to Councilor Hansen, Mr. Houser said the current rate of pay for the position was \$37 thousand. He said the contract in the budget was at \$55 thousand. Mr. Martin noted \$10 thousand was slated for site maintenance, and \$5 thousand was for a coupon program to encourage purchase of compost which were not included in Personal Services.

Councilor Hansen asked the figures be presented to the Committee in memorandum form.

Chair Wyers referenced question no. 15 of Mr. Houser's memorandum, and said she understood a second Household Hazardous Waste (HHW) facility was mandated by law and that a mobile collection program was optional.

Todd Sadlo, Senior Assistant Counsel, said ORS 459.413 adopted in the previous legislative session required permanent depots at geographically diverse locations throughout the Metropolitan Service District. Councilor Van Bergen asked for clarification of the term "depot." Mr. Sadlo noted the statute said the depots were to accept HHW, were to be located and operationally designed conveniently and that Metro was to promote the use of those facilities.

Councilor Van Bergen said information presented to the Budget Committee showed the installation planned at Metro South cost range was approximately \$1 million, and said the same amount was anticipated for Metro Central. He noted the HHW facility at Metro South was open three days a week, and said the cost of operation at a free/no fee basis for dumping was approximately \$100 per customer. Councilor Van Bergen asked the question, was another \$1 million HHW facility reasonable. He asked whether a third facility would be built in Washington County, with or without another transfer station. He said the amount of money spent to build and staff several facilities could be used for special event HHW days. He questioned the benefit of the facilities.

Councilor Hansen favored the HHW facilities, and noted \$1.2 million had been spent on the 1% for Recycling Program over the last four years. Mr. Martin said over the last six years \$1.7 million had been spent on single day collection events. He said the HHW facility accomplished the equivalent of a one day event each week at a cost considerably less than the approximately \$150 per vehicle served in the one day events. He agreed the expense was not small, but said, the facility accomplished more in a cost effective manner. He noted the City of Portland had sent a letter expressing the northern part of the area be served equally with a facility such as that at Metro South, and noted Oregon City officials had commented they did not wish to be the sole HHW dumping ground for the region.

The Committee agreed to place the matter for full discussion on the next Solid Waste Committee agenda.

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Mr. Martin said the issue had been discussed in Finance Committee and was referred to Solid Waste Committee. He said the Department was prepared to discuss nine policy options related to this issue and the cost implications which he noted were sobering. He presented a document to the Committee entitled "Operations Options Analysis", which has been made a part of the permanent meeting record. The Committee agreed to review the document prior to Phase III of budget considerations.

There being no further business, the meeting adjourned at 9:06 p.m.

Respectfully submitted,



Marilyn Geary-Symons
Committee Clerk