

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

April 11, 1989

Council Chamber

Committee Members Present: Gary Hansen (Chair), Roger Buchanan and Mike Ragsdale

Committee Members Absent: Sharron Kelley (V. Chair) and Judy Wyers

Also Present: Dan Cooper, General Counsel

Chair Hansen called the meeting to order at 2:10 p.m.

1. WORK SESSION: Briefing on Elements of the Service Agreement Negotiations with Riedel

- . Letter of Credit
- . Variable Rate Demand Obligations
- . Site Ownership
- . Marketing Compost

Debbie Gorham, Waste Reduction Manager, briefed the Committee on the elements of service agreement negotiations with Riedel which included the past history of negotiations and who would brief the Committee on the letter of credit, variable rate demand obligations, site ownership and compost marketing.

Sandy Gurkewitz, Associate Solid Waste Planner, gave a report on the marketing of compost. The Committee and staff discussed regional compost marketing.

Paul Atanasio, Paine Webber, reported on site ownership details.

Chair Hansen called a recess at 3:14 p.m. The meeting reconvened at 3:25 p.m.

Ed Einowski, Metro's Bond Counsel, reported on the letter of credit.

Rebecca Marshall, Government Finance Associates (GFA), reported on variable rate demand obligations.

Chair Hansen adjourned the work session at 3:55 p.m. The regular committee meeting reconvened at 4:21 p.m.

2. Consideration of Resolution No. 89-1079, Authorizing an Exemption to the Requirement of Competitive Bidding Pursuant to Metro Code Section 2.04.041, and Authorizing Issuance of a Request for Proposals (RFP) for Procurement of a Compactor System for Metro South Station

Jim Watkins, Engineering and Analysis Manager, explained the RFP would provide a second compactor for installation at the Metro South Station.

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Councilor Buchanan asked if a second compactor would prevent facility shut-down if the first compactor failed. Mr. Watkins said yes. Mr. Watkins distributed "Attachment #1 Metro South Station Compaction System Request for Proposal" and The Committee and staff discussed the resolution further.

Chair Hansen opened the public hearing.

Dan Saltzman, Shredding Systems, Inc., submitted "Shredding Systems, Inc., Comments on Draft Metro South Compactor RFP" which asked the Committee to change the cost weight from 20 percent to 70 percent; to assign 20 percent to replacement parts availability weight; and asked why because of strong emphasis on performance and reliability Metro proposed to pay 40 percent of the costs prior to installation and completion of acceptance testing. He also asked Metro to alter the proposed payment schedule to place a higher premium on successful acceptance testing than on signature of the contract and asked that the Committee change the contract signature payment from 30 percent to 10 percent and increase the payment upon successful acceptance testing from 20 percent to 40 percent.

Staff also distributed "Vendor Comments and Staff Responses to Compaction System RFP 4-11-89."

Chair Hansen asked if anyone else wished to testify. No one appeared to testify and he closed the public hearing.

The Committee and staff discussed the resolution further.

Motion: Councilor Buchanan moved to recommend the full Council adopt Resolution No. 89-1079.

Vote: Councilors Buchanan, Hansen and Kelley voted aye. Councilors Ragsdale and Wyers were absent. The vote was unanimous and the motion passed.

3. Consideration of the Proposed FY 1989-90 Budget for the Solid Waste Department

Bob Martin, Director of Solid Waste, noted the proposed FY 1989-90 Solid Waste Department budget represented a \$41 million increase compared to the previous fiscal year. He discussed current rates and said he preferred rates be placed on a regular schedule of adjustment. He said rates should be increased at optimum times for haulers. He said current estimated rates were \$53 or \$54 per ton. He said more accurate, lower costs would be available because staff had real contract costs not available last year.

Chair Hansen asked if Metro had generated more revenue than necessary to cover costs. Mr. Martin said no and that \$10.4 million was placed in the St. Johns Reserve Fund. He anticipated building an unappropriated fund balance of \$5 million. Chair Hansen asked if the strategy was to not raise

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rates this year. Mr. Martin said with the present effective rates Metro would generate enough revenue, but not as much because beginning January 1, 1990, shipment of solid waste to Arlington would begin. Mr. Martin explained how staff estimated year-end costs.

Chair Hansen asked about the proposed \$2 per ton fee for hazardous waste. Mr. Martin noted nine bills were under consideration by the state legislature which would add to tipping fees if passed. He noted if Senate Bill 424 passed Metro would be responsible for collection from the waste stream.

The Committee and staff discussed the budget process further. Chair Hansen said the budget had already received a great deal of scrutiny which was why the Committee had no major questions at this time. He strongly supported matching the rate structure with the budget. He said there had been major rate increases in the past with very little analysis, then budget amendment, and then an angry public response.

Motion: Councilor Ragsdale moved to inform the Council Budget Committee that the Council Solid Waste Committee concurred with policy implications contained in the Solid Waste Department budget and did not meticulously scrutinize line items.

Chair Hansen adjourned the meeting at 5:36 p.m.

Respectfully submitted,



Paulette Allen  
Committee Clerk  
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