

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

April 20, 1988

Council Chamber

Committee Members Present:

Gary Hansen (Chair),
Sharron Kelley (V. Chair),
Larry Cooper, Tom
DeJardin, Jim Gardner,
Corky Kirkpatrick, George
Van Bergen

Chair Hansen called the meeting to order at 5:35 p.m.

1. Consideration of Minutes of March 1, 1988

Motion: Councilor DeJardin moved, seconded by Councilor Kirkpatrick, for approval of the minutes.

Vote: The vote was unanimous and the motion passed.

2. Review of Solid Waste Department Budget for FY 1988-89

Chair Hansen said the Council Solid Waste Committee had received recommendations on the Solid Waste budget from Mr. Don Carlson, Council Administrator, and Mr. Ray Barker, Council Assistant. Chair Hansen said the budget process had been difficult because of lack of time. Chair Hansen said he would accept a motion to approve Council recommendations.

Main Motion: Councilor Kirkpatrick moved, seconded by Councilor Kelley to approve Council staff recommendations made in the memorandum, "Recommendations for Solid Waste Department Operating Budget," dated April 18, 1988, from Mr. Carlson and Mr. Barker to the Budget Committee and the Council Solid Waste Committee for the Solid Waste operating budget for FY 1988-89 with addendums identified in the above memorandum.

Chair Hansen asked for discussion on the motion. Mr. Rich Owings, Director of Solid Waste, said the work projects had changed since last fiscal year. The Bacon Road landfill and the West Transfer Station were not included in the FY 88-89 budget. Because of additions and deletions to the new budget Mr. Owings said, the budget estimates did not match projects needed to be done for the next year. Mr. Owings said staff's fiscal projections were the source of the \$17.4 million. Mr. Owings said the \$1.3 million budgeted for personal services was inadequate because it was for a minimal 39 positions and not the 42 positions required. Because of such adjustments Mr. Owings said, the

projected \$17.4 million was not the correct projected figure. The Committee and staff discussed staffing needs and mandatory transfers.

Councilor Gardner asked Mr. Owings about the mandatory \$1 fee the Department of Environmental Quality (DEQ) collected per ton from Metro. Councilor Gardner wanted to know the status of those payments since the contract for the landfill had been signed. Mr. Barker said he had spoken with DEQ staff to ascertain what Metro still owed. Mr. Barker distributed Exhibit A which showed Metro had paid DEQ \$2,558,330 from July 1985 to December 1987. Exhibit B showed that \$1,040,000 would be paid to DEQ for FY 1988-89 for landfill siting fees. Mr. Barker said he had asked DEQ what Metro's costs would be from this date and the end of the current fiscal year. Chair Hansen, in reference to the \$290,000 repayment to the Solid Waste Operating Fund for advance payments made to DEQ, asked if that payment would affect the unappropriated balance level. Councilor Kirkpatrick noted there was a motion on the floor to adopt Council staff's recommendations.

Motion to Amend: Councilor Kirkpatrick moved to make a request to staff that as part of the Solid Waste recommendation in preparing the line item for DEQ payments, not to use a set specific figure, but instead to use the most exact figure available to staff when the budget is complete, and to make this request the fourth item of Council staff's memorandum on the Solid Waste Operating budget.

Chair Hansen said changes could be made in the budget up to the last moment. He said there would be no discussion over the payments to be made to DEQ; Metro had to make them. He said the budget should reflect the most correct estimate of what those payments would be.

Mr. Barker said the question was what remained to be done. The last remaining thing to be done at the Bacona road site would be to close the test wells, he said. Mr. Owings said Metro would collect fees from 1,040,000 tons. Mr. Owings said there had been new adjustments since the January projected figures and that Metro would not owe DEQ \$1 million.

The Committee and staff discussed the matter further. Councilor Kirkpatrick said if the budget could be kept at the \$17.4 million level, then rates would not have to be increased next year. Chair Hansen said if the level of expenditure could be set while in the budget process, then the rate structure could be discussed. Chair Hansen said the Solid Waste Rate Review Committee would attend the next Council Solid Waste Committee meeting and preferred to keep the discussion of rates a separate issue. Councilor Cooper said the hauling industry had increased its rates in response to the Arlington

landfill. He felt the industry was increasing its rates prematurely. He said a public awareness program should be developed to inform the public that Metro would raise the rates in 1990, but was not responsible for higher rates now.

Councilor Van Bergen objected to the DEQ amendment because the figures could not be accurately projected. Mr. Owings said the amendment would ensure the Council Budget Committee would use the most realistic figures available.

Vote: The vote to approve the DEQ amendment was unanimous and the amendment passed.

Mr. Jim Shoemake, Facilities Manager, explained the contract with the City of Portland. Councilor Van Bergen asked for a copy of the contract. Councilor Kelley asked if all the Committee members could have copies of the contract.

Chair Hansen said at this meeting he would like to make recommendations on the Solid Waste budget to the Budget Committee. He said if staff felt adjustments needed to be made it would be appropriate for them to make requests to the Budget Committee. Chair Hansen said the Budget Committee had Executive Officer Cusma's recommended budget.

Councilor Cooper asked if a provision had been made for properly auditing various Metro entities to ensure fees were paid. Mr. Owings said in the original list of 17 projects, one project had been listed as a franchise administration project. Chair Hansen said that item could be made a sixth add back.

Councilor Kelley suggested the Committee discuss each Solid Waste add back at a time. Councilor Kelley also suggested telling the Budget Committee the Committee did not have adequate time to deliberate on the Solid Waste budget. Councilor Gardner agreed with Councilor Kelley. He said it seemed that as a Committee they were allowing staff a specified amount of money but not kept informed on specific projects.

Mr. Owings said during the year projects had changed. He said the Council had voted against the West Transfer Station. Councilor Van Bergen said the Council did not decide against the West Transfer Station. Mr. Owings said he had transferred the resources allocated to the West Transfer Station to analysis of Bacona Road. Councilor Kirkpatrick concurred with Councilor Kelley's statement that when staff received funds they could use them in whatever way they chose. Mr. Owings said there was a work plan and staff was accountable.

Councilor Cooper said the process was difficult because the Council was handing over \$17.4 million without a defined work plan and/or policy. Councilor Cooper said he understood the frustration felt by staff when

COUNCIL SOLID WASTE COMMITTEE

April 20, 1988

Page 4

the Council changed policy. Councilor Cooper said he had difficulty voting to approve the budget because he was not sure where the work was headed. Mr. Owings suggested rearranging the list of the original 17 projects and showing which were mandatory. He said he did not understand the necessity of a large contingency fund.

Councilor Gardner said ideally the Committee would forward to the Budget Committee a detailed recommendation, not only what would be the bottom-line total, but also what the Solid Waste Department's work plan should be for the year project by project. Councilor Gardner said that was not possible because of lack of time. Councilor Van Bergen agreed with Councilor Gardner. Mr. Owings said all the work projects and the funds and positions needed to carry them out had been identified. Chair Hansen said the Committee had asked staff to return with definite programs. He said by not including mandatory programs linked with the St. Johns landfill as well as a contingency level, staff was not seen as responsive. Mr. Owings said those materials were presented at the Budget Committee. Chair Hansen said he had not been present at that Budget Committee.

Chair Hansen said after the retreat, issues would be clarified further and some of the existing problems resolved. Councilor DeJardin advocated approval of the Solid Waste budget and noted during the retreat there would be opportunities to define Solid Waste work projects and also later during the year. The Committee further discussed Council staff's budget recommendations regarding tonnage adjustments, functional planning and personal services.

Chair Hansen asked for a motion on the City of Portland Landfill (non-compliance). Councilor Kelley asked if the budget would be approved as a whole, or if each add back item would be voted on separately. Chair Hansen said yes.

2(a) City of Portland (non-compliance)

Motion: Councilor Kelley moved to add \$800,000 to the Solid Waste Contingency fund.

Assuming the Committee approved the City of Portland Landfill (non-compliance) fee, Councilor Gardner pointed out \$860,000 was already identified in the contingency fund. He said he was not inclined to support the motion. Councilor DeJardin asked if Metro would have to pay this fee to the City of Portland. Mr. Owings said yes. Councilor DeJardin said if it was a possible expense, it should be included in the budget. Councilor Cooper asked Councilor DeJardin if by adding the \$800,000 he meant to double the existing Contingency fund. Councilor DeJardin said no. Chair Hansen said this addition to the contingency fund would double it to \$1,600,000. Councilor Kelley said the addition to the fund was necessary if there was a possibility the City of

Portland would fine Metro. Mr. Owings said he thought this contingency item was a legitimate addition. The Committee and staff discussed the motion further.

Vote: Councilors Kelley, DeJardin and Hansen voted aye.
Councilors Cooper, Gardner and Van Bergen voted nay.
Councilor Kirkpatrick was absent. The motion failed.

2(b) Consulting for Refuse-Derived Fuel (RDF)

Motion: Councilor Gardner moved to not add back \$320,000 for consulting fees to the Solid Waste budget for refuse-derived fuel.

Chair Hansen asked Mr. Owings for his opinion on the motion. Mr. Owings said it was policy for the Committee to make. He said there were no funds in the proposed budget to continue the Combustion Engineering project in the next fiscal year. Mr. Owings said it would take significant staff and consulting work to sell the revenue bonds required for the project. Chair Hansen said if Columbia County would provide a site for the project, the Committee would know definitively what the project should be allocated. Mr. Owings said if the payment to DEQ would be reduced to \$622,000, this motion would compensate for the difference between the \$17.4 million and \$17.1 million.

Vote: Councilors Kelley, Cooper, DeJardin, Gardner and Van Bergen voted aye. Councilor Hansen voted no. Councilor Kirkpatrick was absent. The motion passed.

2(c) St. Johns Reserve Fund

Councilor Van Bergen asked if funds for the St. Johns Reserve Fund would need to be allocated every year. Mr. Owings said yes. Councilor Van Bergen said he had no confidence in DEQ. Councilor Van Bergen said he did not accept the numbers given for the closure of St. Johns as correct. Chair Hansen said there were estimates given that were higher than DEQ's estimate. Chair Hansen said his concern was if Metro did not collect the money now, the impact on the rate payers would be enormous later.

Motion: Councilor Gardner moved to add \$7,000,000 to the St. Johns Reserve Fund.

Vote: Councilors Kelley, Cooper, DeJardin, Gardner and Hansen voted aye. Councilor Van Bergen voted no. Councilor Kirkpatrick was absent. The motion passed.

2(d) Environmental Insurance Fund

Mr. Owings said this measure would build funds for a self-insured pollution control contingency fund. Mr. Owings cited the recent PCB spill at Clackamas Transfer and Recycling Center (CTRC). Mr. Owings said if the spill had been Metro's responsibility there would have been no way to fund the clean-up. Mr. Owings said such a fund had been recommended in the Government Finance Associates (GFA) memorandum. Councilor Van Bergen asked what impact the proposal would have on Metro's contract with Browning-Ferris Industries (BFI). Mr. Owings said toxic clean-up would still be BFI's responsibility. Councilor Cooper asked if Metro had general insurance coverage which would take care of such insurance needs. Ms. Gretchen Buehner, Council Budget Committee, recommended the adoption of an environmental insurance fund.

Motion: Councilor Kelley moved to add \$500,000 to the budget as an environmental insurance fund.

Vote: Councilors Kelley, Cooper, DeJardin, Gardner, Van Bergen and Hansen voted aye. Councilor Kirkpatrick was absent. The vote was unanimous and the motion passed.

2(e) Capital Outlay: Compactor, CTRC

Motion: Councilor Gardner moved to add \$390,000 to the Solid Waste budget to install a compactor for CTRC to the budget as a specific item.

Mr. Owings said it was necessary to retrofit CTRC to increase its efficiency. Chair Hansen asked whether the time period for installation of the compactor would be between July and January, 1989. Mr. Owings said the current CTRC contract expired this year and the contract would need rebidding. Mr. Owings said it would be sensible to rebid the contract knowing if a compactor were to be installed there or not. Councilor Cooper asked if a compactor was necessary. Mr. Owings said possibly not because the barge industry had indicated it might be more sensible to move solid waste in bulk rather than in containers. Mr. Owings said a trucking contract could be the low bid. Mr. Owings said it was too early to estimate whether waste would need to be compacted or not. Councilor Cooper said the compactor could be a contingency item. Councilor Van Bergen asked if the compactor would be installed inside the building.

Vote: Councilors Kelley, Cooper, DeJardin, Gardner and Van Bergen voted aye. Councilors Kirkpatrick and Hansen were absent. The vote was unanimous and the motion passed.

Motion to Amend: Councilor Cooper moved to add 1 FTE position to provide for a franchise manager/auditor at an estimated cost of \$62,000 per year in FY 88-89.

Acting Chair Kelley asked for discussion on the motion. Mr. Owings said it was a mandatory function in response to Councilor Gardner's query. Councilor Gardner said he hesitated on such a motion because the Committee was getting down to this level of detail; he said he saw other items in the originally proposed budget that he liked also, although this proposal was clearly a good one.

Vote on Motion to Amend: Councilors Kelley, Cooper, DeJardin, Gardner, Van Bergen and Hansen voted aye. Councilor Kirkpatrick was absent. The vote was unanimous and the motion passed.

Chair Hansen asked for discussion on the main motion to approve the Solid Waste Operating Budget for FY 1988-89. Councilor Cooper said the new budget figure was \$25.8 million. He asked Mr. Owings how the new figure compared to the original proposed Solid Waste operating budget. Mr. Owings said that estimate with the original fund transfers was \$30 million. Councilor Van Bergen said he could not vote aye on the motion because of the additions made.

Vote on Main Motion as Amended: Councilors Kelley, Cooper, DeJardin, Gardner and Hansen voted aye. Councilor Van Bergen voted nay. Councilor Kirkpatrick was absent. The motion passed.

Mr. Owings asked for clarification on the Recycling Information Center (RIC) staffing needs. He suggested he bring back a budget showing the \$17.4 million with the approved add backs. He said he would provide a list of mandatory Solid Waste projects. He said the RIC staff positions were very important. Chair Hansen suggested including the 3 FTE for RIC above the \$17.1 million total.

3. Briefing on Waste Reduction Policies

Deferred.

4. Consideration of Resolution No. 88-888, for the Purpose of Evaluating Source Separated Recycling Alternatives

Deferred.

Chair Hansen called a recess from 8:11 to 8:25 p.m.

5. Consideration of Resolution No. 88-866, for the Purpose of Suspending MOU (Memorandum of Understanding) Negotiations with Combustion Engineering Pending Approval of a Facility Site in Columbia County

Ms. Debbie Gorham, Solid Waste Analyst, said when the results of the Health Impact Review Panel Study were released, Columbia County questioned whether an RDF facility should be built there. Ms. Gorham said staff stopped negotiations with Combustion Engineering and continued to negotiate with Riedel Environmental Technologies. Ms. Gorham said Mr. Jim Aiello, Combustion Engineering, had flown to Portland to discuss this agenda item with the Committee.

Mr. Aiello said he had met with Dr. Trygve P. Steen of the Health Impact Review Panel. He said more data was being provided on RDF technology. When a specific site was selected in Columbia County, Mr. Aiello said, it would be more helpful as far as Columbia County was concerned. He hoped to finance the burner by December 1989. He did not want to make specific statements but hoped to present an agreement with Columbia County at a later date.

Councilor Kelley said the Council adopted a motion that Combustion Engineering meet or better other burner emission levels. Councilor Kelley discussed dioxin emission levels. Councilor Kelley warned Mr. Aiello that if the paperwork she saw in January was not improved that negotiations would cease with Combustion Engineering. Mr. Aiello said he expected DEQ to be very strict about the emission levels. Councilor Kelley said the proposed facility had to be better than the Marion County facility. Mr. Aiello said he understood. Ms. Gorham said the Resolution before the Committee asked them to suspend negotiations with Combustion Engineering until a site was located.

Chair Hansen declared the public hearing open to anyone who wished to testify on this issue. No one appeared to testify. Chair Hansen declared the public hearing closed. Chair Hansen asked for discussion from the Committee.

Councilor Gardner said he disagreed with some of the language in Resolution No. 88-866. Councilor Gardner said the first "Whereas" of the Resolution said, "that a resource recovery facility(ies) is necessary for disposal of up to 48 percent of the municipal solid waste

in the Portland tri-county planning area." Councilor Gardner said the Metro Waste Reduction Program did not say that but that it said, "we may allocate up to 48 percent of our total waste stream and that Metro would implement a resource recovery project if it meets a set of criteria including technical and economic feasibility, as well as cost criteria such as whether it increases the over-all systems costs to over 20 percent." Councilor Gardner said the Resolution did not say the burner would be a necessary facility for Metro's solid waste system.

Councilor Gardner said the third "Whereas" of the Resolution said, "the tip fee negotiated through the Memorandum of Understanding process is within 38 cents of the landfill based system cost." Councilor Gardner said that statement was factually inaccurate. Councilor Gardner said the figure was within 38 cents of 120 percent of the landfill based cost. Councilor Gardner said those were two areas in which Resolution No. 88-866 was inaccurate. He said the inaccuracies painted a different picture than what Metro's waste reduction program actually was.

Councilor Gardner said it would be easiest to change the third "Whereas." He suggested substitution of "it is within 38 cents of 120 percent of the cost of the landfill based system." He suggested deletion of the first "Whereas."

First Motion to Amend: Councilor Gardner moved to delete the first "Whereas" paragraph and correct the language in the third "Whereas" paragraph of Resolution No. 88-866.

Councilor Van Bergen suggested the Executive Officer respond to Councilor Gardner's amendment. Councilor Van Bergen did not understand the purpose of Resolution No. 88-866 because the Executive Officer had already terminated the negotiations. He said he would like to keep negotiations open because of the funds spent on this project.

Chair Hansen asked for discussion on the amendment. Ms. Gorham said the first "Whereas" paragraph could be amended by saying "the research recovery system costs tip fee negotiated through the Memorandums of Understanding within 38 cents" would clarify the language. The first "Whereas," Ms. Gorham said, could be reworded to say "up to 48 percent could be allocated if it met all the criteria in the Ordinance." Chair Hansen asked Councilor Gardner if he would withdraw his motion.

Withdrawal of First Motion to Amend: Councilor Gardner withdrew his original motion.

Second Motion to Amend: Councilor Gardner moved to instruct staff to clarify language in Resolution No. 88-866 as specified.

Vote: Councilors Kelley, DeJardin, Gardner, Van Bergen and Hansen voted aye. Councilors Cooper and Kirkpatrick were absent. The vote was unanimous and the motion passed.

Councilor Van Bergen asked what would happen if the Resolution were adopted. Chair Hansen said negotiations were currently suspended with Combustion Engineering; if Resolution No. 88-866 were passed, Columbia County would re-open negotiations. Councilor Van Bergen wished the record show if that were not the intent of the Resolution, he would not vote for its approval.

Main Motion: Councilor Kelley moved to approve Resolution No. 88-866 as amended.

Vote on Main Motion: Councilors Kelley, DeJardin, Van Bergen and Hansen voted aye. Councilor Gardner voted nay. Councilors Cooper and Kirkpatrick were absent. The motion passed.

Councilor Gardner said he wished the Resolution language clarified, but voted nay because he felt the Council would support it. He said the Resolution formalized an existing situation. He preferred to permanently suspend negotiations. Councilor Gardner the costs were too much to pay.

6. Consideration of Resolution No. 88-867, for the Purpose of Continuing MOU Negotiations with Riedel Environmental Technologies for a Mass Composting Facility

Chair Hansen noted the staff report was dated April 11, 1988. He said by April 15, Riedel Environmental Technologies (RET) had agreed to provide a firm facility price as well. Ms. Gorham said the bid had been delivered on time and was acceptable.

Motion: Councilor DeJardin moved for approval of Resolution No. 88-867.

Vote: Councilors DeJardin, Gardner, Van Bergen and Hansen voted aye. Councilors Kelley, Cooper and Kirkpatrick were absent. The vote was unanimous and the motion passed.

COUNCIL SOLID WASTE COMMITTEE
April 20, 1988
Page 11

Chair Hansen announced the public hearing open. No one appeared to testify on Resolution No. 88-867. Chair Hansen declared the public hearing closed. Chair Hansen adjourned the meeting at 9:02 p.m.

Respectfully submitted,

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

Paulette Allen, Clerk
SWC88.111