

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

April 26, 1988

Room 330

Committee Members Present: Gary Hansen (Chair),
Sharron Kelley (V. Chair),
Tom DeJardin, Jim Gardner,
George Van Bergen

Committee Members Absent: Larry Cooper, Corky
Kirkpatrick

Chair Hansen called the meeting to order at 5:40 p.m.

1. Consideration of Minutes of March 15, 1988

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

Vote: The vote was unanimous and the motion passed.

2. Consideration of Resolution No. 88-878, for the Purpose of
Adopting Solid Waste Disposal Rate and Financing Policies

Mr. Roosevelt Carter, Operations Manager, said the Resolution would be returned to the Council Solid Waste Committee (CSWC) May 9 for their final consideration. Mr. Carter said the Resolution would consolidate existing Metro policy which already addressed solid waste financing and rate issues.

Chair Hansen said Mr. Carter raised issues the CSWC should discuss including:

Rate Incentives: The CSWC and the Solid Waste Rate Review Committee (SWRRC) members who were present; Mr. Milton Fyre, Mr. Jonathan Block and Mr. Andrew Thaler, discussed special rates for charitable institutions.

Public Rate Simplification: Mr. Steve Rapp, Solid Waste Analyst, explained rate simplification. Chair Hansen said he would like rate simplification implemented if it did not affect the minimum rate. Councilor Gardner noted there were six separate rates in effect and said he would like them reduced to three. Chair Hansen asked the SWRRC for analysis of tonnage put in and the actual fees collected from the public.

Convenience Charge: Chair Hansen said staff had outlined five or six unsatisfactory options to stay within the 700 ton limit at Clackamas Transfer and Recycling Center (CTRC). He said some haulers could use the St. Johns landfill.

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The CSWC, Mr. Fyre and Ms. Estle Harlan, Consultant, Tri-County Council; discussed the convenience charge. Ms. Harlan said without seeing how to arrive at the cost of service that it would be "catastrophic" if the haulers had to go directly to St. Johns. Mr. Rapp asked if the convenience charge option should be eliminated from the Resolution. Chair Hansen said the convenience charge should be re-evaluated.

Rate Ramping: Mr. Carter asked the CSWC how Metro should present rate increases; whether through incremental increases or in one new expanded charge. Mr. Carter said because of costs involved in the closure of St. Johns and increased costs to ship waste to Arlington, rates would increase from \$19.70 per ton to \$56 per ton. Councilor Van Bergen requested staff submit a report to indicate exactly when the rates would increase.

Councilor DeJardin did not want to cover costs in one rate increase. He asked if there would be a public information program to inform the public of the increased rates. Mr. Carter said the Public Affairs Department would prepare a public information campaign. Councilor DeJardin suggested information be sent to the haulers so they could directly contact their customers.

Mr. Thaler said the question was whether Metro would ramp in advance of the expected costs, or ramp at a lower rate now and recover costs later. Councilor DeJardin asked if Metro could ramp in advance and collect interest, thus saving taxpayers possible extra charges.

Councilor Gardner said ramping meant raising the rates in advance and covering costs as needed. Mr. Carter said the issue was to determine how much to raise the rates so the SWRRC could study the issue. Chair Hansen said ramping could be eliminated, or funds set aside by raising the rates now.

Councilor Van Bergen said staff had not provided concrete numbers data with which to decide the issue. He said the CSWC would need to know when costs be on-line. He said the Council should determine policy not administrative issues. Mr. Fyre said closure of St. Johns would cost at least \$28 million. He asked if the \$28 million would be recovered through the rates--which would double--or if Metro could anticipate future funding through the rates.

Chair Hansen said Metro could float bonds over the next 20 years and commit user fees to that purpose. Councilor Van Bergen asked if that were possible or if funds would need to be borrowed from the Department of Environmental Quality (DEQ). Chair Hansen said since Metro would incur costs, how to pay costs had to be decided. Councilor Kelley suggested consultants be hired to shorten the time frame involved and give an estimate of costs. Councilor Van Bergen agreed.

Ms. Harlan discussed items in the memorandum dated April 26, 1988, "Financing Policies/Proposed 1988-89 Budget" she distributed to the CSWC, SWRRC and the Council Budget Committee. Ms. Harlan asked why a contingency fund was needed for personal services and materials and services; for what programs the unappropriated fund balance would be used; the necessity of artificial rates to promote recycling; and when a staff performance audit would be carried out. Ms. Harlan noted Metro had a flow-control statute, but not a corresponding ordinance stipulating flow-control. Ms. Harlan said an ordinance of this nature was critically needed to control the waste stream and rates charged on the waste stream.

Chair Hansen requested staff to prepare an ordinance legislating flow-control and to report at next week's scheduled CSWC meeting. He assumed it would be a combined effort of the General Counsel and staff. Chair Hansen said if Metro lost large volumes of waste, the rates would be impacted. Councilor Van Bergen suggested Ms. Harlan submit a draft of the ordinance she had in mind. Ms. Harlan agreed with Chair Hansen that the General Counsel and staff should draft the ordinance and said she would be happy to provide input. Mr. Carter said Resolution No. 88-878 could be amended to include flow-control measures. He said it was not staff's intention to limit rate incentives to charitable organizations only. Ms. Harlan said there was no problem with true rate incentives. Councilor Gardner and Ms. Harlan agreed rate incentives and certification went "hand-in-hand." Chair Hansen asked staff to clarify rate relief for "thrifths."

The Committee and staff discussed the differences between processing centers and landfills and how the rate structure could help to define those differences. Ms. Harlan suggested consultation with Mr. Merle Irvine, Oregon Processing and Recycling Center. Councilor Van Bergen also suggested consultation with Grimm's and Riedel.

Councilor Van Bergen said consideration of Resolution No. 88-878 was two weeks premature. He said there was no point in considering the Resolution until after the budget process had been finished. Mr. Carter said the Resolution was broad in scope and rates would be defined May 9, 1988. He said the major highlights of the Resolution had been discussed at this meeting.

Chair Hansen said additional legislation related to these issues would appear soon and it made sense to defer consideration of the Resolution until all legislation could be analyzed as a whole. Councilors Gardner and Kelley concurred. Mr. Carter said there was not a great deal of time for additional discussion if the October 9, 1988, deadline were to be met. Chair Hansen said he did not see any issues in the Resolution that were not already policy. Councilor Van Bergen asked how approval or non-approval could affect staff's rate study. Councilor DeJardin

agreed and told Mr. Carter that the Committee's opinion would not change policy or affect staff's time line.

Chair Hansen asked if the rate policies would need to be considered in May or if the Committee should wait for staff to return with their analysis. Mr. Thaler said the Resolution was a housekeeping measure meant to tie all the policies together. The Committee said again consideration of the Resolution could be deferred after adoption of the budget. Chair Hansen said if the new rate structure were implemented September 1, 1988, the rate increase would have to be less. Mr. Carter said any rate change had to include a 65 day grace period to the industry. Chair Hansen asked if it would be reasonable in this study to adopt rates for a specific period such as ten months. Mr. Carter said if the Committee wished to consider bonding, they needed predictable rates.

Motion: Councilor Van Bergen moved to table consideration of Resolution No. 88-878 until after the Council Budget Committee meeting May 5, 1988.

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.

Chair Hansen adjourned the meeting at 8:51 p.m.

Respectfully submitted,



Paulette Allen, Clerk
SWC88.117