

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

May 5, 1992

Council Chamber

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

Committee Members Absent: Ruth McFarland (Vice Chair)

Councilors Also Present: Richard Devlin

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

1. Solid Waste Updates

o General Staff Reports

Bob Martin, Director of Solid Waste Department, had no specific reports.

Councilor Van Bergen requested a written report be scheduled for a future agenda responding to an article in the Business Journal regarding the Riedel composter facility and a \$3.5 million bond obligation. He said his questions were 1) what is the function of the Solid Waste Committee or the Council in the matter as perceived by interested parties; 2) what has transpired to date relative to the matter; 3) what kind of timing would there be if a Committee or Council role existed; 4) where was the payment schedule on the \$3.5 million outstanding, whether in default or not; 5) if in default, has Metro paid it, has anyone paid it, was anyone asking to be paid; 6) who would Metro be involved with should Credit Suisse make a selection.

In response to Mr. Martin, Councilor Van Bergen indicated the article was in the May 4, 1992 Business Journal entitled "Bidders Sniffing Out Composter Deal with Credit Suisse." Chair Wyers questioned whether the Committee would have purview over the party with whom Credit Suisse would do business. Mr. Martin said Legal Counsel said Metro would not have such purview, and said he would work with General Counsel Dan Cooper on developing a response to the issues raised. Mr. Martin noted interest from entities wishing to do business in the matter with Credit Suisse was high. Councilor Van Bergen noted the article stated another \$5 million in expenditures would be necessary to bring the composter facility on line, and was concerned the future of the composter might not be successful.

Mr. Martin said he understood cost to correct the odor problem would be approximately \$3.5 million, and said it was not Metro's money but was Credit Suisse's money.

(Continued)

Chair Wyers asked John Houser, Council Analyst, to draft a summary of the change orders on the Jack Gray contract for Committee review as a means of monitoring the contract.

2. Resolution No. 92-1606, For the Purpose of Authorizing an Intergovernmental Agreement with Clackamas County to Provide Litter Collection Services

Sam Chandler, Solid Waste Facilities Manager, presented the staff report, and urged the Committee to recommend the proposed Intergovernmental Agreement with Clackamas County to provide litter collection services to the full Council for adoption.

Councilor Van Bergen agreed Metro would present a good neighbor attitude by picking up litter along the roadsides as indicated in the staff report, but suggested Metro labeling on the litter pick up bags to gain a public relations benefit. He noted the original cost has risen from \$10,000 to \$56,000. He asked whether the litter had been identified as refuse on its way to the transfer station or was regular highway litter.

Mr. Chandler said \$56,000 was for two years expenditures, and said the current year expenditure was anticipated to be approximately \$28,000 and the following year, \$31,000. He said van rental now in use was not in the original agreement. He agreed with Metro logo labeling on the bags, and said he would look into the matter. Mr. Chandler noted Oregon City was pleased with the work.

Mr. Chandler felt the trash could come from the transport of trash to and residue after deloading from the transfer station.

Motion: Councilor Hansen moved to recommend Resolution No. 92-1606 to the full Council for adoption.

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

The vote was unanimous and the motion passed.

3. Resolution No. 92-1608, For the Purpose of Authorizing a Sole-Source Contract with Charles Sax, AIA to Create a Booklet: Meet "MRF" An Introduction to Materials Recovery Facilities and Transfer Stations

Katie Dowdall, Community Enhancement Coordinator, presented the staff report, and said the resolution would authorize a contract with Charles Sax of Sax Associates, Architects, AIA, to create an educational booklet targeting a national audience about materials recovery facilities and transfer stations. She said it would be user friendly and would be utilized by public agencies and developers as an information handout distributed at community events and facility tours. She said the EPA

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recommended the booklet be site specific, and noted the design incorporated that concept.

In response to Councilor Van Bergen, Ms. Dowdall indicated Mr. Sax was a local architect.

Chair Wyers was concerned about Metro promoting materials recovery since it was not high on the hierarchy. Ms. Dowdall said the booklet would be designed to allay fears on the part of the public, and said Metro Council and staff had purview over the final release of information and language to be used in the booklet.

Chair Wyers asked if language would state materials recovery was not the preferred method. Mr. Martin said 8% of the flow to Metro Central was being recovered which would otherwise end up in the landfill, and felt that was preferable. He said the booklet was designed to bring citizens up to date in areas in particular where they were not as familiar with the type of solid waste systems used in the Metro region.

Chair Wyers said she did not want to send out a booklet that indicated materials recovery beyond 8% was a preferred or viable option.

Mr. Martin indicated he did not believe the booklet would suggest materials recovery at transfer stations was preferable to curbside source separation where feasible.

Councilor Hansen understood the booklet would tell what to expect; e.g. traffic concerns, noise concerns, filth concerns, etc. in the individual citizen's neighborhood should a facility be sited.

Chair Wyers expressed concerns regarding staff time used in the project. Ms. Dowdall said staff time would be minimal.

Mr. Martin and Ms. Dowdall understood the Committee's concerns, and indicated follow up would be appropriate.

Motion: Councilor Hansen moved to recommend Resolution No. 92-1608 to the full Council for adoption.

In response to Councilor Van Bergen, Ms. Dowdall said ownership would be dual between Metro and the EPA.

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

The vote was unanimous and the motion passed.

4. Resolution No. 92-1611, For the Purpose of Authorizing an Exemption to the Requirement of Competitive Bidding for Issuance of a Request for Franchise (RFF) Applications for the Provision of Transfer and Material Recovery Facilities and Services for Eastern Washington County
5. Resolution No. 92-1612, For the Purpose of Authorizing Issuance of a Request for Franchise Applications for the Provision of Transfer and Material Recovery Services for Eastern Washington County

Mr. Martin indicated the Department was prepared to cover agenda items No. 4 and 5 simultaneously.

He said authorization was sought to issue the RFF and begin the procurement process for the Service Area #2 facility in Washington County. He discussed the time frames involved, e.g. six weeks allowed for proposal response followed by evaluation and the negotiations process. He noted subsequent to negotiations the Department would return to the Committee with policy and procurement issues for review. Mr. Martin referenced Resolution 91-1437 adopted June, 1991 which adopted Washington County Plan policies, and Ordinance No. 91-416 which adopted the Washington County Plan, which he said contained basic instructions as to how to proceed with the procurement process.

Mr. Martin mentioned several factors such as private ownership, land use permits and ten year tonnage forecasts for Washington County. He presented a map demonstrating tonnages flows for Service Area #1 and Service Area #2.

In response to Chair Wyers, Mr. Martin said the tonnages shown were based on reduced tonnage flows now experienced.

Chuck Geyer, Senior Solid Waste Planner, described the RFF noting the document was similar to the document released when the Forest Grove facility was contemplated.

He discussed the financing arrangements, and said a lump payment for payment of bonds would be made by Metro monthly plus a payment for each ton of waste handled as long as the facility was in operation. He said no payments would be made should the facility not operate and the bond insurance would then be responsible.

Mr. Geyer said the same five criteria would be used as were used previously to evaluate the RFF's: 1) experience and qualifications of the applicant; 2) technical strength of design and operations plan; 3) cost; 4) land use approval in hand; 5) compliance with Metro franchise code.

Mr. Geyer presented a handout with revisions to the document dated May 5, 1992. He noted two errors in the staff report dated April 27, 1992 and found in the Agenda Packet on page 3 under Budget Impacts - the numbers under capital and operating expenses were for the previous RFF. He said the numbers should read \$12.5 million instead of \$10.3 million and \$2.4 million instead of \$1.7 million.

James Watkins, Solid Waste Engineering & Analysis Manager, answered questions posed by Mr. Houser in his memorandum dated April 29, 1992 and found in the agenda packet. Mr. Watkins noted Mr. Martin had reviewed question 1a) relating to tonnage data, and proceeded to respond to question 1b). He said Portland State University (PSU) had contacted to review the regional model which forecasted total regional waste, and said the data was then combined with information from the technical analysis to determine how much waste went to each facility. He said changes were made to the model prior to submitting to PSU, who supported all changes and said the model was more accurate at this time than previously. Mr. Watkins displayed a graph to the Committee and said in answer to question 1c) the Department was able to demonstrate 95% of the time forecasts were within 5% of actual regional tonnage. In answer to question 2) Mr. Watkins said the Department projected in the year 2005 the Washington County portion of the disposal would reach capacity, 196 thousand tons. In answer to question 3) Mr. Watkins said staff would analyze information to satisfy the criteria based on capital and operating costs proposed and comparing findings with the technical analysis. He said the comparison would be presented as a present value per ton cost for both a publicly and privately owned facility. In answer to question 4) Mr. Watkins said the Department believed the RFF in question would have no effect on disposal at Riverbend landfill.

Todd Sadlo, Senior Assistant Counsel, said negotiations with Riverbend related to a contract for waste disposal from the Metro region were temporarily on hold due to county actions and initiatives currently underway. He said, depending on the outcome of the initiatives on May 19, there could be litigation related to the initiatives.

In answer to question 5) Mr. Watkins said, regarding types of financing options under consideration, a supplemental ordinance could be adopted by Metro Council authorizing the issuance of bonds for the proposed transfer station in Service Area #2, and a capital account could be set up subject to annual appropriations from the rates, which could be used for future capital subject to the current approval process. In answer to question 6) Mr. Watkins said the building layout would be evaluated for flexibility to adapt to material, process changes and future expansion.

In response to Councilor Van Bergen, Mr. Martin said it was his recommendation the proposed transfer station for Service Area #2 was needed. Councilor Van Bergen inquired whether the financing was the

same as was done for the Riedel composter facility. Mr. Martin said there were a number of differences, and believed the financing was similar to what was done at Metro Central. In response to Councilor Van Bergen, Mr. Martin said a credit enhancement; i.e. a letter of credit from the bank to the proposer in the event the project failed, would protect the issuance of the bonds. In response to Councilor Van Bergen, Mr. Martin indicated he understood the protection provided would be for the full amount of the project.

Councilor Van Bergen asked what the default procedure would be; e.g. would the bank take over. Mr. Geyer said the credit enhancement guaranteed repayment of bonds in the event the operator was in default, and said no one would operate the facility until the letter of bank or other firm guaranteeing payment found a substitute operator. Councilor Van Bergen asked if Metro had control over who might operate the facility. Mr. Martin said the question could not be answered further until negotiations were completed with a successful proposer and a contract was ready for Council review. He indicated the letter of credit was for the protection of Metro and the bondholders from private party default.

In response to Chair Wyers, Mr. Sadlo said the Office of General Counsel decided it was not necessary to deal with a regulatory franchise as a contract, but said a contract and a competitive bidding process was appropriate for facility procurement unless an exemption was appropriate.

Mr. Martin said competitive bidding was the rule for procurement for a public agency such as Metro for the type of facility under discussion. He said the process advocated by the Council for in this case was to exempt from competitive bidding in order to issue a Request for Proposal process to solicit a competitively awarded franchise in this case, noting the facility was to be privately owned rather than publicly owned.

In response to Chair Wyers, Mr. Martin said one option was that waste could be transferred from Forest Grove to Arlington using the existing Jack Gray contract. He said another option would include the first option in conjunction with sending a portion of the waste to Marion County waste energy facility, and a third option would be to transfer the waste in the existing trucks currently transferring the waste to Riverbend, transfer that waste to Metro Central for reload and compacting, and subsequently transfer to Arlington via Jack Gray trucks.

In response to Mr. Houser, Mr. Geyer indicated the basis for projecting a decline in tonnage shown on the department's forecast was based on a contemplated increase in materials recovery programs as outlined in the Technical Analysis. Mr. Martin said retrofitting of Metro South would also contribute to a net reduction in tonnage.

Chair Wyers opened a public hearing. No citizens appeared to testify. Chair Wyers closed the public hearing.

Motion: Councilor Hansen moved to recommend Resolution No. 92-1611 and Resolution No. 92-1612 to the full Council for adoption.

Councilor Van Bergen noted the report stated the process was not likely to encourage favoritism or substantially diminish competitive public contracts and said he disagreed with that statement, and said the Washington County Plan policy addressed that issue. Councilor Van Bergen said he felt this was a plan to avoid bidding, and said it should be open to public bidding. He noted the report also stated the first of services needed could not be obtained through a Request for Bids, and indicated he disagreed with that statement as well. He noted the Council had decided the process should be followed as though it were a contract, and he felt it was a matter of opinion. He said he felt the procurement should be put out to bid.

Councilor Hansen said a procurement could not be sent out for bids since the proposers themselves were asked to have a site selected and to subsequently present their project to Metro and the Council. She said Metro could not presume which site would be selected in the proposal process. She said in order to follow up Metro would have to instruct other bidders to bid on that particular site. She said Metro did not have a site proposed or selected, and said the purpose of the proposal was so proposers would find a site, obtain the necessary permits, e.g. land use permits, develop a project and then present the proposals to Metro.

Councilor Devlin said historically Metro had not used a Request for Bids process for procurement of a publicly or privately owned transfer station facility, but rather, he said, a Request for Proposals process had been used noting the process under discussion before the Committee was a Request for Franchise process. Councilor Devlin noted the District had been involved in the issue for eight years, and said he desired to see the matter resolved and urged closure on the process.

Chair Wyers indicated she would vote aye in order to bring the matter to closure. She noted the Committee was abbreviated.

Vote: Councilors Hansen and Wyers voted aye. Councilor Van Bergen voted nay.

The motion passed.

6. Resolution No. 92-1614, For the Purpose of Authorizing Issuance of a Request for Bids (RFB) for Groundwater Monitoring Well Improvements and Piezometer Installation at St. Johns Landfill

Joanna Karl, Senior Engineering Planner, and James Watkins, Solid Waste Engineering & Analysis Manager, presented the staff report.

Ms. Karl said the objective of the RFB was to handle as much of the groundwater well work as could be anticipated throughout the landfill closure process, and said the RFB was intended to lead to a five year contract. She noted the majority of the work would occur in 1992. Ms. Karl described the repair or replacement as well as general maintenance of existing wells, and she outlined other scope of work as reflected in the RFB.

Mr. Watkins responded to the questions posed by Mr. Houser in his memorandum dated April 29, 1992. He said the original budget based on an in-house estimate was \$363,000, and he said since that time another estimate had been received from an engineering firm providing consulting services to Metro for the five year contract of \$330,000 (+/- 30%). Mr. Watkins noted the original estimate appeared to be high, and said approximately \$240,000 would occur during the current fiscal year and the remainder over the remaining five years.

The Committee and staff discussed terms used in the RFB and DEQ regulations regarding closure of the landfill.

Councilor Van Bergen asked whether the DEQ regulations were applicable to the entire state or to one location. Mr. Sadlo agreed to determine the answer and report to the Committee.

Motion: Councilor Van Bergen moved to recommend Resolution No. 92-1614 to the full Council for adoption.

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

The vote was unanimous and the motion passed.

7. Review of Construction of the Household Hazardous Waste (HHW) Facility at Metro Central

Mr. Watkins reviewed the schedule: 1) the RFB for the HHW at Metro Central had been filed May 1, 1992; 2) the RFB would be released on May 15; 3) bid openings would occur on June 17; 4) award would be made around June 30; 5) notice to proceed should occur around July 2, 1992 at the earliest. He said CH2M Hill was the engineering firm contracted to design the facility, and said the firm would assist in construction activity.

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Mr. Watkins described the location and size of the proposed facility noting compliance with standards for federally regulated HHW facilities would be achieved as well as local fire and building codes for hazardous materials. He said services would be the same as provided at the Metro South facility, which he described. He noted completion should occur by the end of the year 1992, and displayed a photograph of the facility.

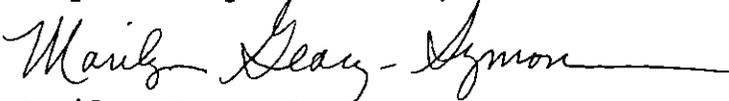
Mr. Watkins indicated the proposed budget FY 1992-93 was \$1 million 30 thousand, and noted other costs - design / \$120,000, construction management services / \$40,000, CH2M Hill engineers estimate of facility cost / \$835,000. He said funds would be available for changes as needed, and noted few changes had occurred at Metro South during construction and completion.

Chair Wyers expressed concerns regarding cost containment. Mr. Watkins said a typical estimate would include approximately 5% increase in change orders on a project, and felt the funds available would be adequate.

Chair Wyers made final comments regarding her aye vote on Resolution No. 92-1611 and Resolution No. 92-1612, and said she felt her no vote would have created an alarm to the Washington County officials. She said as elected officials the Council was the public, and the public reviewed its government. She said such review was appropriate and various opinions were acceptable. She said the Council was not expected to be technically oriented, and said she hoped no one would be derisive of individual opinions regardless of position.

There being no further business, the meeting adjourned at 7:20 p.m.

Respectfully submitted,



Marilyn Geary-Symons
Committee Clerk