

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

May 19, 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 5:30 p.m.

1. Solid Waste Updates

o Waste Reduction Program Activities

Debbie Gorham, Waste Reduction Manager, presented the staff report and said phone book recycling increased by 175% over the previous year. She said the phone book paper market decreased in 1989, and noted the Lion's Club stopped collecting phone books. She said Metro staff worked with U.S. West, and obtained a commitment from them to pay for the cost of collection as well as buy recycled paper for use in future phone books. She noted the collection netted 3 million pounds in the region. Ms. Gorham responded to a question from Chair Wyers regarding the glue used, and said she would provide the Committee with an answer.

Ms. Gorham introduced Genya Arnold, Assistant Solid Waste Planner, presented a video to the Committee concerning the commercial waste audit program. She noted actor, Barry Corbin, from Northern Exposure appeared as narrator in the video, and said a brochure would accompany the video, and presented a sample of the brochure to the Committee. The video emphasized the buyer's use of recycled products.

In response to Chair Wyers, Ms. Arnold said the video cost was approximately \$50,000, would be available through the Metro Recycling Information Center. She noted two versions of the film existed, one with an Oregon emphasis and one without. She said calls were being received to speak and to show the film.

2. Ordinance No. 92-453, For the Purpose of Granting a Franchise to Pemco, Inc. for the Purpose of Operating a Petroleum Contaminated Soil Processing Facility and Declaring an Emergency

3. Ordinance No. 92-454, For the Purpose of Granting a Franchise to Sonas Soil Resource Recovery of Oregon, Inc. for the Purpose of Operating a Petroleum Contaminated Soil Processing Facility and Declaring an Emergency

Phil North, Senior Solid Waste Planner, presented the staff report, indicated the purpose of the proposed ordinances was to franchise two

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additional facilities for processing petroleum contaminated soils (PCS). He said the Sonas facility was intended to be a permanent location on the Schnitzer property in the Riverview district, and said the Pemco equipment was similar equipment albeit designed to move from site to site. He noted representatives from Pemco were present and would be available to discuss volume anticipated at the facility. Mr. North noted Pemco had been operating in the Portland area previously. Mr. North noted the Oregon Hydrocarbons facility, one of the two existing PCS facilities, had processed about 10,000 tons of material since the beginning of operations around the first of the year. He said Oregon Hydrocarbons had processed approximately 9,000 tons and RMAC about 1,000 tons. Mr. North indicated material processed by Oregon Hydrocarbons was either returned to the generator or used a fill material in areas not used for food production. He said he was not aware of any material being rejected for processing by either facility.

Mr. North indicated that the Hillsboro Landfill appears to average receiving about 12,000 tons of PCS every three months, though this flow is subject to seasonal fluctuations. He said about 40-50% of this material comes from the metropolitan area, and explained the Columbia Ridge Landfill received about 4,000 to 5,000 tons of PCS during the last six months of 1991. Mr. North said disposal charges at the Hillsboro Landfill (\$52 per ton) are about equal to the processing charge at existing franchised facilities (\$50 per ton).

Mr. North explained that the department is examining options for directing more PCS to processing facilities, in part, he noted, because recycling PCS would be higher on the state recycling hierarchy than landfilling the material.

Chair Wyers opened a public hearing.

Michael Betts, representing Pemco, testified before the Committee, and noted the company has been in the business of processing PCS for 12 years. He said the company was currently operating in Oregon and Washington and is licensed to operate in Idaho. He said the company was currently operating under DEQ permits scheduled to expire on June 20, 1992. Mr. Betts indicated the company had applied for a new permit. He noted that, while the Pemco processing equipment was mobile, the company had no other Portland area jobs pending other than at the current site at BP Oil in Gresham.

Councilor Van Bergen asked how he should respond to questions from constituents about the environmental safety of Pemco's processing equipment. Mr. Betts said the company worked closely with local and state regulatory authorities and that Pemco's equipment has been subject to frequent inspection and observation by representatives of these agencies.

Councilor Van Bergen asked regarding the nature of the reporting requirement for the franchisees. Mr. North replied that Metro's reporting requirements had been tailored to compliment the reporting required by the DEQ at the state level.

Councilor McFarland asked why the processed soil cannot be used for growing food. Mr. Betts said DEQ prohibited such use. He said the heating process not only removed the petroleum-based contaminants, but also removed other organism and nutrients needed for the soil to serve as a growing agent. He noted such organisms and nutrients would have to be reintroduced into the soil for it to be used to grow food.

Chair Wyers asked if any potentially harmful materials would remain after the soil had been processed. Mr. Betts noted that all PCS were tested for other contaminants and if any hazardous waste were found, the material was not accepted for processing. Chair Wyers asked the approximate capacity of the Pemco facility. He noted the facility could process at least 9,000 tons of PCS every three months.

Jeff Bachrach and Jeff Ward, representing Sonas, testified before the Committee and explained that the company has one facility in Florida. He said the company was proceeding through the permitting process in three other jurisdictions.

Chair Wyers asked how the company's services were marketed. Mr. Bachrach said that Sonas negotiated contracts on an individual basis with clients. He said the company promoted the quality of its process and its product.

Lex Johnson, representing Oregon Hydrocarbons, testified before the Committee, and said he opposed the Sonas franchise. He noted that the Sonas company was located only a quarter of a mile from the Oregon Hydrocarbons. He expressed concern that the PCS processing market place was not fully developed. He said as long as material could be taken to the landfill, he felt Metro should not allow additional permanent facilities to be franchised. Mr. Johnson said he did not oppose the Pemco franchise because its equipment was mobile and therefore would appeal to a different segment of the market. Mr. Johnson noted the DEQ currently restricted processors from providing above-ground cleanup services, though Oregon Hydrocarbons will be requesting such authority.

Councilor McFarland noted that locating a facility in close proximity to another similar facility should not be damaging. She noted there appeared to be a large amount of PCS available for processing. Mr. Johnson expressed concern that, to date, such material had not be made available to existing processors.

Chair Wyers closed the public hearing.

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Motion: Councilor McFarland moved to recommend Resolution No. 92-453 and Resolution No. 92-454 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.

Councilor Van Bergen requested Mr. Houser review solid waste contracts for the Committee and provide an analysis contracts noteworthy in report form to the Committee.

Chair Wyers noted Mr. Houser and she had reviewed prospective contracts for the coming year for "A" or "B" status. Mr. Houser indicated he had spoken to Donald E. Carlson, Council Administrator, who indicated he would like to have the contract list brought before each of the standing committees for review and recommendation to the full Council. Mr. Houser indicated he believed that would occur at a June meeting.

There being no further business, the meeting adjourned at 6:52 p.m.

Respectfully submitted,



Marilyn Geary-Symons  
Committee Clerk

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

May 13, 1992

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

Committee Members Absent: None

Vice Chair McFarland called the special meeting to order at 5:33 p.m. Vice Chair McFarland complimented Rate Review Committee members on their work on the solid waste rates for FY 1992-93.

1. Ordinance No. 92-455, For the Purpose of Amending Metro Code Chapter 5.02, Disposal Charges and User Fees at Metro Facilities

Motion: Councilor McFarland moved to recommend Ordinance No. 92-455A (amended ordinance per Legal Counsel's recommendations) to the full Council for adoption.

Bob Martin, Director of Solid Waste, explained changes in the overall rate. He said solid waste rates would increase from \$68 per ton to \$75 per ton.

Mr. Martin explained the tonnage adjustment fee. He said as a result of the significant decline in tonnage during FY 1991-92, the Solid Waste Department had almost depleted its Operating Contingency fund. He said it was necessary to raise the rates by \$2.46 per ton for that purpose alone. He said if future tonnage projections were more accurate, that increase would be a one-time occurrence.

Mr. Martin explained increases due to inflation. He said all of the major solid waste disposal and transportation contracts contained annual inflation adjustment clauses. He said staff estimated that the average 3.83 percent rate of inflation would apply to those contracts and factored that percentage into the rate. He said the \$2.34 per ton increase also included contractual and merit-related pay increases for department employees.

Mr. Martin explained excise tax rates. He said the excise tax rate would increase by \$.82 per ton since the Council had approved an increase in the current excise tax rate of 5.25 percent to 6 percent.

Mr. Martin explained Department of Environmental Quality (DEQ) fees. He said because of administrative and legislative actions, various solid waste disposal fees payable by Metro to DEQ would increase by \$.50 per ton.

Mr. Martin explained that the remaining \$.88 per ton increase resulted from departmental program changes. He noted most of that increase would result from operation of the two new Household Hazardous Waste (HHW) facilities at Metro South and Metro Central Stations.

Roosevelt Carter, Budget & Finance Manager, reviewed the current rate model components using the table, "Rate Analysis FY 92-93." He said the same basic rate model had been used by staff for the past four years.

Mr. Carter explained the four components of the overall rate which included: 1) Tier One User Fee (\$19.00) - pays for fixed system costs, including central staff, administrative staff and overhead and the various recycling and waste reduction programs; 2) Tier Two User Fee (\$7.00) - pays for the fixed costs associated with the major disposal and transportation contracts, debt service for Metro Central and capital expenditures from the General Account; 3) Regional Transfer Charge (\$9.00) - pays the operating cost of the transfer stations; and 4) Disposal Fee (\$38.25) - pays for the operational and contractual costs of landfilling waste, including the Jack Gray Transport, Inc. (JGT) contract and the disposal costs at Columbia Ridge Landfill. He said DEQ fees and Rehabilitation and Enhancement fees accounted for the remaining \$1.75 of the total rate.

Mr. Carter said the Tier One User Fee would increase from \$13 per ton to \$19 per ton. He said that increase resulted from having to spread Metro's central fixed costs over a smaller projected tonnage and the Rate Review Committee's (RRC) proposal to allocate all operating contingency and the St. Johns Landfill closure operating and maintenance fees to the Tier One rate, rather than divide those costs among the four major rate components as had been done in the past.

Mr. Carter said the Tier Two User Fee would drop from \$8.50 per ton to \$7 per ton due to transferring all contingency and St. Johns Landfill operating and maintenance fees to the Tier One User Fee, as well as the closure of the Metro-Riedel Composter Facility which had reduced system wide operational costs.

Mr. Carter explained the Regional Transfer Charge would decline from \$10.50 to \$9.00 per ton due to decreased tonnage projections. He said the disposal fee was projected to increase due to inflation escalators in the major disposal contracts and an increase in the amount of landfilled material during the temporary closure of the composter facility.

Councilor Van Bergen asked staff to explain why DEQ fees had increased. Mr. Martin noted the "promotional fee" had increased from \$.50 per ton to \$.80 per ton because of administrative action by the Environmental Quality Commission (EQC). He said DEQ disposal permit fees paid by Waste Management of Oregon, Inc. for the Columbia Ridge Landfill had been raised from an original flat fee of \$60,000, to \$.21 per ton, or an increase of \$.05 per ton over the original fee. He said because Metro's contract with Waste Management allowed for the pass through of additional costs due to changes in law, Metro would pay the additional permit fee costs. He said Senate Bill 66 added an additional \$.09 per ton. He said originally estimated orphan site fee was revised downward from the original budget estimate of \$.25 per ton to \$.15 per ton.

Councilor Van Bergen asked why the minimum self-haul rate increased from \$15 to \$19, a 27 percent increase, when the overall rate was only increasing by 10 percent. Mr. Martin explained that the State of Oregon would certify that scales were accurate down to 500 pounds only, so the department planned to set a minimum rate per quarter ton. Mr. Martin said policy was inadvertently not changed last year to reflect that and so the increase this year was larger than the overall increase. Chair Wyers noted the rate had not been increased FY 1991-92 so that self-haul customers would not become unduly alarmed.

Chair Wyers expressed concern about the proposed increase from \$49 per ton to \$65 per ton for source-separated yard debris. She said such an increase would decrease the incentive to bring yard debris to the transfer stations. Mr. Martin said the increase would allow Metro to recoup its costs associated with yard debris disposal and noted the RRC had recommended the increase. He said Metro currently subsidized yard debris disposal for a cost of \$39,000 per year.

Ross Hall, Rate Review Committee, briefly reviewed the RRC's recommendations. He noted an overall rate of \$75 per ton had been proposed, but that the Solid Waste Department had revised its tonnage forecast and told the RRC a rate of \$76.80 per ton would be necessary to fund the proposed budget. He said the RRC recommended three significant changes in the rate model: 1) Transferring all operating contingency costs to the Tier One User Fee; 2) Transferring all St. Johns Landfill operating and maintenance costs to the Tier One User Fee; and 3) Eliminating Metro's subsidy for yard debris disposal. He said those changes reduced the projected rate to \$75.53 per ton. He said the RRC then recommended additional budget cuts be made to reduce the overall rate to a maximum of \$75 per ton.

Mr. Hall also noted that the RRC recommended some type of limit be set on the amount of administrative, transfer, overhead and general government rates funded by solid waste rates. He noted the general public was upset about the recent increases in solid waste rates and said there was some fear that increases were a back door technique to raise revenues for other purposes.

Mr. Martin said he would welcome a discussion of issues related to overhead and other administrative charges included in the rates. Councilor Van Bergen noted that cost allocations affecting disposal fees could be affected by unforeseen and unrelated events. Chair Wyers concurred with Mr. Hall's comments about public reaction to rate increases and said the Solid Waste Committee would discuss those issues further. Mr. Martin noted this year's proposed rate increase would be the smallest in four years.

Councilor Wyers asked Todd Sadlo, Legal Counsel, if he had any other changes for the ordinance besides those proposed in his May 5, 1992 memo, "Ordinance No. 92-455, Amending Metro Code Chapter 5.02." Mr. Sadlo explained his proposed amendments were of a format nature only, had no substantive effect on the ordinance, and had no other changes not contained in his memo.

Councilor Van Bergen said there was a need to inventory the types of solid waste entering transfer stations. Mr. Martin agreed and noted a waste characterization study would be conducted FY 1992-93 and said data from that study would be compared with a prior study to identify changes in the waste stream.

Vote: Councilors Buchanan, Hansen, McFarland, Van Bergen and Wyers voted aye to recommend Ordinance No. 92-455A to the full Council for adoption. The vote was unanimous and the motion passed.

Chair Wyers adjourned the special meeting at 6:54 p.m.

Respectfully submitted,



Paulette Allen  
Clerk of the Council