

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

July 11, 1989

Council Chamber

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

Committee Members Absent: None

Chair Hansen called the meeting to order at 5:40 p.m. Chair Hansen announced Councilor Sharron Kelley had been elected to the Multnomah County Board of Commissioners June 27, 1989, and would no longer serve as Metro Councilor on the Metro Council or the Solid Waste Committee. He highly commended Councilor Kelley's work for, and contributions to, Metro and the Solid Waste Committee.

Chair Hansen noted Councilor Wyers would introduce Resolution No. 89-1117 for Agenda Item No. 3. Chair Hansen noted Agenda Item No. 4 had been removed from the agenda. Chair Hansen said Agenda Item Nos. 5 and 6 were not noted on the agenda as public hearings, but if those present wished to testify, public hearings would be opened.

1. Consideration of Minutes of May 12, 1989

Motion: Councilor Buchanan moved for approval of the minutes.

Vote: Councilors Buchanan, Hansen, Ragsdale and Wyers voted aye. The vote was unanimous and the minutes were approved.

2. General Staff Reports

Jim Watkins, Engineering and Analysis Manager, gave the general staff reports. He said proposals for modification of Metro South Station were received. He said three proposals had been received and the proposers interviewed. He said SCS Engineers was selected and said the three proposals were close. He said the two proposals received for the compactor were from AMFAB Resources/Harris and from Shredding Systems, Inc. He said AMFAB was selected for the first main compactor. He said it was undecided whether one compactor would be placed in the tunnel and the other in the east end or to have both compactors in the east end. He said staff would decide design issues first before selection of the second compactor. He said staff could use different criteria for the second one and that Shredding Systems, Inc. was offering a cheaper compactor.

Mr. Watkins said the Metro East Station Evaluation Committee met June 26 and staff currently was evaluating proposals received. He said staff would try to meet with the Evaluation Committee Friday, July 14, to analyze the proposals. He said staff was working on summaries of each proposal to present to the Evaluation Committee. He said interviews were set up next week Tuesday and Wednesday to interview the proposers. He said the Solid

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Waste Committee and other Councilors were invited to attend but otherwise the interviews were closed. Staff's goal was to make a recommendation to Executive Officer Cusma at the end of July and then to refer to the first Council Solid Waste meeting August 8. Chair Hansen noted a special Council meeting was scheduled August 8 and the regularly scheduled Solid Waste meeting had been moved to August 1. The Committee and staff discussed scheduling briefly.

Mr. Watkins said the City of Portland sent Metro a preliminary review of the mitigation criteria. He said the City assessed each of the proposers with regard to the mitigation criteria and gave a brief overview. He said the City wanted 45-60 days after Metro's decision to review the building permits and design review application.

Councilor Wyers said she understood from the June 27 Solid Waste Committee discussion with staff that the four neighborhoods which could possibly have the Metro East Station sited within their area would be notified. She asked if the pertinent neighborhood associations were so notified. Judith Mandt, Assistant to the Director of Solid Waste, said all neighborhood associations were notified and that Bob Martin, Director of Solid Waste, had discussed transfer station issues with various neighborhood representatives. She said the associations had not yet received proposal packets because staff intended to send the final R. W. Beck (RWB) report to the appropriate neighborhood associations. Ms. Mandt said staff expected that report to be ready this week. Ms. Mandt said in conjunction with Public Affairs, all groups who should receive the proposals had been identified and would receive them with the RWB report Thursday or Friday of this week.

Councilor Wyers said a constituent asked her if trucking was no longer an option to ship solid waste to Arlington if it was possible to access depots by barge or rail. Mr. Watkins said the original rail proposal had a depot in one rail yard and waste from the transfer station could be hauled to that depot. He said a couple of sites had rail access, but was unsure of the queuing space to access the rail in terms of a spur to load the cars. Mr. Watkins said rail would need depots at either end. Councilor Wyers said she understood, but wanted to ascertain if there were other any other depot possibilities.

Councilor Wyers said she was asked by both the League of Women Voters and The Friends of the Columbia Gorge if there was some way to delineate on the General Staff Reports agenda item what topics would be discussed. She asked the Committee if there was some way to print under General Staff Reports what staff would specifically report on. Chair Hansen directed Council staff to detail the specific discussion topics under the General Staff Reports agenda item.

Chair Hansen noted a member of the public wished to testify on the General Staff Reports agenda item.

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Kristen Pecknold, Friends of the Columbia Gorge, reiterated Councilor Wyers' request to detail specific items for discussion under General Staff Reports and stated the public would not know what was being discussed otherwise.

3. Report on Recommendations of the One Percent for Recycling Advisory Committee for Fiscal Year 1988-89 Funds

Councilor Wyers, Chair, One Percent for Recycling Advisory Committee, introduced Resolution No. 89-1117, For the Purpose of Approving the Projects and Programs for the One Percent for Recycling Program.

Ms. Mandt introduced members of the One Percent for Recycling Committee who would present the proposals: Carolyn Tomei, Beverly Seibel, Forrest Soth, Bruce Lewis and Mickey Templeton. Ms. Mandt introduced Aletta Yantis, Administrative Secretary, and said Ms. Yantis was instrumental in the preparation of the proposal.

The One Percent for Recycling Committee presented the following proposers and proposals: John Inskip Environmental Learning Center--Exhibition and Resource Center for Alternative Waste Technologies; West Linn Very Little Theater--"Recycling Show" travel theater event for schools; Alpine Disposal and Recycling--Residential Curbside Container Recycling Project; Citistics, Inc.--Plastics Collection and Processing Facility 40 cubic yard drop boxes; Clackamas County and Clackamas County Refuse Disposal Association--Mobile Home Park and Retirement Center Recycling Demonstration; Cloudburst Recycling Collection Service--Enroute Yard Debris Collection and Composting Site; Grimm's Fuel Company--Yard Debris Product Development; The Plastics Partnership--Residential Enroute Collection of Plastics for Recycling; PRRO's Recycling--Recycling Collection Bins at Multi-family Apartments; Sunflower Recycling Cooperative, Inc.--Mixed Plastics Drop-off Center; and City of West Linn Recycling Program--On-call Trailers for Yard Debris Haul.

Council Wyers said the One Percent for Recycling Committee recommended projects funded with \$300,000; one percent of the FY 1988-89 Solid Waste Budget. She said additional recycling projects could be selected and funded later in the year with \$400,000 from the FY 1989-90 Solid Waste budget. Councilor Wyers said the committee created a list of potential projects and hoped the current committee members would serve again. Chair Hansen said the variety of projects assembled was impressive and the proposals excellent.

Motion: Councilor Wyers moved to recommend the full Council adopt Resolution No. 89-1117.

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

4. Update on the Planning and Development Department's Solid Waste Planning Activities

Removed from the agenda.

5. Consideration of Resolution No. 89-1112, for the Purpose of Authorizing Execution of a Service Agreement for Design, Construction and Operation of a Mass Composting Facility with Riedel Environmental Technologies, Inc.

Chair Hansen called a recess at 6:35 p.m. The Committee reconvened at 6:46 p.m.

Staff distributed "Mass Composting Service Agreement Draft No. 12 July 2, 1989," "Mass Composting Facility Service Agreement," and "List of Exhibits to Riedel-Metro Service Agreement June 23, 1989."

Debbie Gorham, Waste Reduction Manager, said new tip fee information was available. She said tip fees could not be finalized until the negotiations were closed. She said staff asked Riedel Environmental Technologies, Inc. (RET) to change the facility design by adding a compactor to compact residue to be hauled by JGT. She said the design change meant \$665,000 in additional capital costs which were factored into the tip fees. Ms. Gorham said RWB's 1988 forecasted tip fee including increased costs was \$41.93. She directed the Committee to page 2 of Resolution No. 89-1112 for new language (underlined): "WHEREAS, Riedel Environmental Technologies has guaranteed a facility price of \$19,916,000, inclusive of facility site costs of \$1.2 million, 15 percent of which Riedel Environmental Technologies will contribute as equity; and." Ms. Gorham explained capital costs went from \$19.25 million to \$19.916 million due to the Metro requested change to add the compactor.

Chair Hansen referred to the compactor selection for Metro South Station. He noted there was a cost differential between AMFAB and Shredding Systems, Inc., compactors. He asked if it were possible to install a less expensive compactor. Ms. Gorham said that was discussed with RET and it was considered prudent to select the AMFAB compactor for the facility.

Ms. Gorham directed the Committee to page 3 of Resolution No. 89-1112, second WHEREAS, for new language (additions underlined and deletions bracketed): "WHEREAS, The Tip Fee achieved through Service Agreement Negotiations is \$41.93 for the first year of operation, in 1988 dollars, which is only \$.53 higher [less] than the Tip Fee negotiated in the Memorandum of Understanding. [and, hence, more than 1.7 percent less than the landfill-based system cost represented by Metro's contract with Oregon Waste Systems, Inc., for services of an out-of-region landfill; now, therefore,] Ms. Gorham explained three years previously the Council passed an ordinance for a "premium cost;" the theory that it was acceptable to pay more for alternative technology than for landfilling only. Ms. Gorham

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explained at the time the MOU was negotiated, the system cost including the composter, was well within 120 percent of the landfill-based system cost.

Ms. Gorham discussed staff's meeting with yard debris compost merchants. She said per the Committee's request, a letter was sent to all interested yard debris compost merchants. She said she received letters from Rod Grimm, Jeff Grimm and a call from Denny Stortz. She said Mr. Stortz expressed concern municipal solid waste compost would affect the container yard debris compost industry adversely. Ms. Gorham said the provisions and restrictions of the Service Agreement addressed those markets and that Riedel could not sell to them unless they met the same price and that yard debris compost and sewage sludge did not compete with bark dust materials. She said the contract provisions stated RET could market material to forest seedling, Christmas tree nursery and the bare root industries but not to container industries. Ms. Gorham said Rod and Jeff Grimm and Mr. Stortz submitted the only comments received.

Paul Atanasio, Paine Webber, discussed debt service, pass-through and other costs. Mr. Atanasio discussed the no-fault contract clause.

Chair Hansen opened the public hearing.

Gordon Hunter, president, Cully Association of Neighbors, supported the composter facility and thought it would assist with excess storage of compost at the Waybo Pit which he said was a 25 acre hole in the ground currently used as a gravel pit. He said his neighborhood association's goal was to see the site filled. He said RET had been cooperative about repairing the fence surrounding the hole. He said the hole was a danger to small children.

John McFarlane, McFarlane's Bark, expressed concern that the sale of compost materials from the proposed Metro composting facility would have a negative impact on the yard debris compost market in the area. He said fees for yard debris compost might have to be reduced or compost given away if compost materials from the RET facility were marketed within 100 miles.

Rod Grimm, Grimm's Fuel Company, distributed "Compost Marketing Report - Metro Council" said the facility would have a severe impact on local businesses. He said predictions that the composter would not adversely affect the marketplace or merchants were overly-optimistic. He concurred with Mr. McFarlane's testimony. He said Grimm's planned to release a new yard mulch product and had received no financing to develop that product. Mr. Grimm said Section 10.2(d) of "Mass Composting Facility Service Agreement" conflicted with Section 10.2(e). Mr. Grimm said if RET would develop other markets such as reforestation or fir farm erosion control, the market would not be affected. He expressed concern about governmental money financing private enterprise.

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Gary Newbore, RET, said RET's interest was to build a showcase facility. He said 30 different jurisdictions in the country had issued RFP's for such facilities. He said RET recently signed a nation-wide DANO license. He said the plant would open for business 1991. He referred to Section 10.2 mentioned earlier in testimony and said it was responsive to both RET and the open market.

Councilor Buchanan asked Mr. Newbore to respond to Mr. Hunter's testimony regarding the Waybo Pit. Mr. Newbore said RET obtained the Pit to replace Killingsworth Fast Disposal Landfill (KFD) before it closed. He said RET intended to fill the Pit as quickly as possible. Mr. Newbore discussed traffic routing and related issues.

Councilor Buchanan asked if DANO processed-compost produced odor. Mr. Newbore explained the DANO composting process and said there was little, if any, odor from production of compost using DANO technology. He said odor was controlled. He said the facility would use roof scrubbers if necessary.

Jeanne Roy, Recycling Advocates, submitted written testimony. Recycling Advocates believed waste separation at the source best assured resource conservation. They recommended a composter which accepted only food waste, as well as wood and paper which could not be reused or recycled. Recycling Advocates said the composter project resulted from the 1986 Waste Reduction Plan and was negotiated over three years so they would not oppose it. Recycling Advocates thought the 35 percent rejection rate was too high. They recommended Metro use their flow-control authority to direct the most compostable waste loads to the composter and the least compostable loads away from the composter. Recycling Advocates recommended Metro make greater efforts to recycle the region's plastic and glass, as well as office paper, newspaper and cardboard at the source since they were more highly-valued products than compost. Recycling Advocates recommended Metro develop systems to keep toxic materials out of the waste stream. Recycling Advocates thought the compost marketing restrictions were reasonable. Recycling Advocates endorsed Metro's adoption of New York State standards on heavy metals, pesticides and pathogens in compost. They were concerned about the build-up of soil toxins if such products were used year after year in the same location such as Christmas tree farms.

Chair Hansen closed the public hearing.

Councilor Ragsdale asked for staff's comments. Ms. Gorham said it was difficult to predict the facility's impact on the community. She said Mr. Grimm's study referenced the Cal Recovery study which staff recognized as flawed. She said the survey asked potential customers what product they might buy. She said the report stated there was a much larger use for residential materials than there may be and staff did not think that estimate realistic. Ms. Gorham said the best result would come from

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composting part of the solid waste stream and reducing the amount of landfillable waste.

Councilor Ragsdale referred to new language in Section 10.2 of Service Agreement Draft No. 12. Mr. Atanasio explained the new language was the product of negotiations between General Counsel Dan Cooper, RET and the bank. He said the new language covered change in law and/or uncontrollable circumstances.

The Committee and staff discussed Service Agreement language further. Councilor Ragsdale asked what "prevailing price" meant. Mr. Atanasio said Mr. Cooper worked on prevailing price language. Councilor Ragsdale said there should be a definition of prevailing price and the language "that Metro without causing a change in law" be changed.

Councilor Ragsdale referred to language after "hence" and asked if it should be deleted. Ms. Gorham said the language was correct and should be retained.

Motion to Amend: Councilor Ragsdale moved to incorporate language changes in Resolution No. 89-1112 as stated above by staff.

Vote on Motion to Amend: Councilors Buchanan, Hansen, Ragsdale and Wyers voted aye. The motion to amend passed unanimously.

Main Motion as Amended: Councilor Ragsdale moved to recommend the full Council adopt Resolution No. 89-1112 as amended.

Vote on Main Motion as Amended: Councilors Buchanan, Hansen, Ragsdale and Wyers voted aye. The vote was unanimous and the motion passed.

6. Consideration of Resolution No. 89-1103, For the Purpose of Establishing the Composter Community Enhancement Advisory Committee

Councilor Buchanan introduced and explained the resolution. He said the resolution was in response to the need to establish a community enhancement advisory committee to make recommendations to the Metro Council with regard to policies and the administration of an enhancement program for the area in which the proposed mass composting facility would be located. Councilor Buchanan discussed the composition of the committee.

Motion: Councilor Buchanan moved to recommend the full Council adopt Resolution No. 89-1103 for adoption.

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

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Chair Hansen adjourned the meeting at 8:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paulette Allen". The signature is written in dark ink and is positioned above the typed name.

Paulette Allen
Committee Clerk
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