

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

July 16, 1991

Council Chamber

Committee Members Present: Judy Wyers (Chair), Ruth McFarland (Vice Chair), Tom DeJardin, Jim Gardner, Susan McLain

Councilors Also Present: Roger Buchanan

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

1. Ordinance No. 91-413, For the Purpose of Approving An Increase In the Transfer Rate For the Forest Grove Transfer Station

Roosevelt Carter, Solid Waste Budget and Finance Manager, presented the staff report and said the proposed ordinance was the result of a request filed by Ambrose Calcagno, dba A.C. Trucking, for an increase to the transfer fee rate cap at the Forest Grove Transfer Station from \$19.25 to \$22.75, bringing the overall fee at the transfer station to \$62.37 per ton, and compared the proposed fee to the \$68.00 per ton fee charged at Metro facilities. Mr. Carter noted department staff met with the Rate Review Committee, which he said gave unanimous approval to the rate increase.

Karla Forsythe, Council Analyst, introduced John Houser, the new Council Analyst for Solid Waste, and she said an amendment was proposed by the franchisee. She read proposed language into the record as follows:

"Whereas there will be an eleven month surcharge of \$.32 per ton to recoup the amount lost due to the delay in implementation of this rate increase."

Ms. Forsythe explained the applicant had anticipated the proposed rate increase would take effect July 1, 1991 and could not be implemented until August 1, 1991. Phil North, Senior Solid Waste Planner, said the requested amendment had not been discussed by the Rate Review Committee, and said department staff took no position on the issue.

Ms. Forsythe referenced a handout provided by the franchisee entitled "Requested Surcharge to Offset Rate Implementation Delay" which has been made a part of the permanent meeting record.

Chair Wyers opened a public hearing.

Charles Marshall, representing the franchisee, said the rate increase request was the result of inadequate rate of return in operating revenues at the transfer station offsetting costs and amounting to a net loss for 1990 of \$50,059. Mr. Marshall said the request was filed in April 1991 noting scheduling conflicts had prevented the matter from coming before the

(Continued)

Committee at an earlier date, and said the \$.32 surcharge was necessary to recoup the loss of one month's revenue.

Mr. Martin concurred the franchisee had submitted the request in late April noting it was reviewed by the Rate Review Committee in a timely fashion, and said the item had been scheduled for the Solid Waste Committee meeting on June 18, 1991 meeting which was cancelled. Ms. Forsythe said no agenda items were filed by the deadline for the June 18 meeting, and noted the matter was subsequently filed in resolution form. She said discussion with legal counsel indicated an ordinance was the proper vehicle for a rate increase, and said she subsequently sent a memorandum alerting the department and raising other issues of concern for the staff report. Ms. Forsythe indicated the matter was redrafted as an ordinance and filed.

Mr. Marshall said the total rate of \$65.66 would include DEQ fees of \$.75 plus 5.25% franchise tax at the Forest Grove Transfer Station.

Councilor DeJardin inquired whether Metro was obligated to assure the franchisee was able to recoup the lost revenues. Mr. Carter said if the matter had come to the department and analysis taken place earlier recommendation would have been made to recoup the lost revenue, but noted the matter had come to the department late. In response to Mr. Houser, Mr. Marshall said economic factors for justification for the rate increase included price increases by the competition to \$68.00. Councilor Gardner and Mr. Marshall discussed the ramifications of the Forest Grove Transfer Station proposed rate increase as related to the system rates overall and competition factors.

In response to Councilor Gardner, Mr. North noted the franchise had been last renewed September, 1988 and expired in 1993. Councilor Gardner noted while changes in franchise operations in the future such as assignment of service areas would eliminate competition in rates, he felt the present rate increases were justified.

In response to Councilor McFarland, Mr. Marshall said the franchisee was operating at a loss in recent times noting the \$19.25 had been approved in 1988, and labor costs have increased generally.

In response to Mr. Houser, Mr. North said the Forest Grove Transfer Station was the only franchise with Metro-regulated rates in the system. Mr. Carter noted several rate increases had occurred in Metro rates and rate increases for Forest Grove had not been correspondent. In response to Councilor McLain, Mr. Marshall said the affected local entities had been notified of the possible rate increase. Councilor Gardner noted in eleven months a rate decrease of \$.32 should be addressed.

Chair Wyers closed the public hearing.

In response to Chair Wyers, Mr. North said currently haulers could use the transfer station of choice, and noted the franchise would expire prior to service area designations and flow control. Mr. North said the franchisee's presentation to the Rate Review Committee included a financial report.

The Committee discussed several related issues including questions regarding the intent and scope of the Metro Code criteria to be addressed when considering a rate request, particularly the consideration of "nonfranchise profits."

Motion: Councilor Gardner moved to recommend Ordinance No. 91-413 to the full Council for adoption.

Motion to Amend: Councilor DeJardin moved to amend Ordinance No. 91-413 to include a \$.32 surcharge for an eleven month period upon implementation, and moved to recommend Ordinance No. 91-413A to the full Council for adoption.

Vote on Main Motion: Councilors DeJardin, Gardner, McFarland, McLain and Wyers voted aye.

The vote was unanimous and the motion passed.

Vote on Motion to Amend: Councilors DeJardin and McLain voted aye. Councilors Gardner, McFarland and Wyers voted nay. The motion failed.

2. Resolution No. 91-1465, For the Purpose of Authorizing Issuance of Addendum No. 4 To Request For Bids 91-B-16-SW For the Procurement of Subgrade Embankment Material And Sand For St. Johns Landfill

Jim Watkins, Engineering and Analysis Manager, presented the staff report, and discussed suggestions from potential vendors which included backhauling material by Jack Gray Trucking from Arlington, and dewatered Columbia River dredge spoil as well as requests to extend the bid period. He said the department was requesting several changes in the original Request for Bids to effect cost savings overall. He said the requests included 1) permitting bidders to bid on either a one or two-year contract, 2) provide that a two-year contract bid would be considered only if it was \$750,000 less than a one-year alternative, and 3) provide an incentive payment of \$1,000 per day for early completion of the contract.

In response to Councilor McFarland, Mr. Watkins clarified that both a one and a two-year option were available through the proposed process, and bidders would be free to compete at either level. He also discussed construction management oversight costs and avoiding having two contractors working at the site at the same time. Councilor McFarland said she did not

agree with the \$1,000 incentive payment for early completion. Mr. Watkins indicated construction management costs would normally exceed \$1,000 per day which would be a cost savings for Metro, and discussed the potential cost savings figure of \$750,000 was based on possible exposure to claims from other contractors in a one year period.

The Committee and staff discussed further the advantages and disadvantages of a one or two year contract. Mr. Watkins noted traffic on the St. Johns Bridge and its impact on the neighborhood was a consideration in setting parameters such as time frames in the RFB.

Main Motion: Councilor DeJardin moved to recommend Resolution No. 91-1465 to the full Council for adoption.

Chair Wyers opened a public hearing.

George Ward, Consulting Engineer, referenced his letter of July 16, 1991 addressed to Chair Wyers regarding an invitation to members of the Metro Council and staff to attend a guided tour of the Oregon Steel Mills and the Arizona Slag operation.

Mr. Ward made positive remarks regarding the RFB presented for review by the Committee, agreed with the concept of the \$1,000 day incentive payment, and noted it was not unusual business practice.

Councilor McFarland referred to page 4 of Draft Addendum No. 4 of the RFB, nos. 12 and 13, and asked if Metro was limited by restricting use of material, which met the Oregon Administrative Rules referenced, as sub-grade embankment material. Mr. Ward referred to the Code of Federal Regulations, and said he supported the language as written.

Mr. Martin commented regarding petroleum-contaminated soil and said Metro was taking a conservative approach concerning contamination risk.

Chair Wyers closed the public hearing.

Ms. Forsythe suggested an amendment to the resolution to delete language in the second paragraph as follows:

"Whereas, [~~it has been suggested to Metro that~~] Metro may realize substantial cost savings by awarding a contract for a two year period..." etc.

Motion to Amend: Councilor DeJardin moved to amend Resolution No. 91-1465 deleting the words "it has been suggested that" as recommended by Council staff.

Vote: Councilors DeJardin, Gardner, McFarland, McLain and Wyers voted aye.

The vote was unanimous and the motion passed.

Vote on Main Motion: Councilors DeJardin, Gardner, McFarland,
McLain and Wyers voted aye.

The vote was unanimous and the motion passed.

3. Solid Waste Updates

o General Staff Reports

Mr. Martin said the new rate was implemented July 1 and that implementation had been well managed. He said the uncovered load policy of fining self-haulers \$25 and commercial haulers \$100 for uncovered loads was in the process of implementation with notice being given to haulers who were coming in with such loads. He said the department was receiving six to twelve calls per day from those who did not believe it was a fair policy, and said each call was being documented and evaluated.

Mr. Martin said the Household Hazardous Waste receiving facility was under construction at Metro South, and said Metro was waiting for building permits from Oregon City and for DEQ permits. He said both jurisdictions had authorized Metro to proceed pending issuance of the permits. He said a four-month construction period and \$1 million cost was anticipated for the facility.

Mr. Martin said waste recovery equipment construction had been completed at Metro Central which appeared to be operating successfully. He noted formal acceptance of the equipment was pending performance testing, and the transfer station operator was looking at various markets for the material.

Sam Chandler, Solid Waste Facilities Manager, said the Metro South yard debris program was progressing successfully, and demonstrated the use of a placard to help haulers who were delivering yard debris to the facility.

Councilor McFarland related the dilemma of a constituent who said they had been guaranteed by the gatekeeper the bill would not exceed \$30 at Metro South and given a bill for \$57. She suggested the excess be refunded in the amount of \$27 to build good public relations. She also asked about curbside recycling bins for household use in Portland.

Mr. Martin said curbside recycling was in the process of being phased in on a hauler by hauler basis. He said Metro budgeted approximately \$300,000 to assist the City of Portland to help defray cost of curbside containers, which he said would be awarded when the city was ready to proceed with purchasing the containers and distributing them citywide. He noted local jurisdictions who franchise haulers were responsible for implementation of curbside recycling programs in their jurisdiction. He noted the City of Portland was just beginning to franchise haulers within the city.

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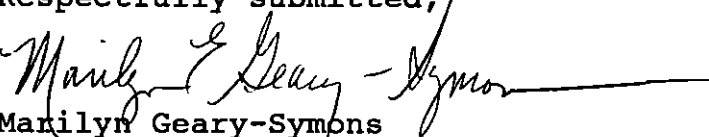
Mr. Chandler said he was aware of the particular incident to which Councilor McFarland referred, and Metro practices were being reviewed with employees at all Metro scalehouses. The Committee and staff agreed a resolution to the incident was appropriate.

Councilor McLain requested a copy of a summary of Riedel's activities regarding suppressing the composter odor be distributed to the Committee.

Councilor Wyers commented she was pleased to have received one of the diaper brochures, and said she was interested in the plans for distribution. Vickie Rucker, Public Affairs Director, said all hospitals in the region had been contacted, noting response was good and brochures were sent to them.

There being no further business, the meeting adjourned at 7:46 p.m.

Respectfully submitted,


Marilyn Geary-Symons
Committee Clerk