

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

August 16, 1988

Council Chamber

Committee Members Present: Gary Hansen (Chair), Jim Gardner (V.
Chair), Sharron Kelley and Mike Ragsdale

Committee Members Absent: Corky Kirkpatrick

Chair Hansen called the meeting to order at 5:41 p.m.

1. Consideration of Minutes of June 14, July 5 and July 27, 1988

Motion: Councilor Ragsdale moved for approval of the minutes.

Vote: Councilors Kelley, Hansen and Ragsdale voted aye.
Councilors Gardner and Kirkpatrick were absent. The
vote was unanimous and the minutes were approved.

2. Consideration of Ordinance No. 88-260, for the Purpose of Amending
Metro Code Chapter 5.01, "Disposal Site Franchising," to Set
Requirements for a Transfer Station Franchise (Public Hearing)

Chair Hansen opened the public hearing.

Jody Stoutt, Oregonians for Cost-Effective Government, referred to
their August 2 memorandum distributed at the meeting of August 2,
"Ordinance No. 88-260." She said the private sector could operate
solid waste facilities more efficiently than the public sector and
urged the Committee vote no on the ordinance.

Richard Botteri, Weiss, Descamp and Botteri, said his firm represented
Oregon Waste Systems, Inc (OWS). Mr. Botteri distributed two
memorandums dated August 16, "How the Per Ton Disposal Cost Was Figured
in the Clark County Proposal" and "Presentation Regarding Ordinance
No. 88-260;" an article from Waste Age, " Why San Jose Goes the Extra
Yard;" and additional OWS materials.

Mr. Botteri asked the Committee not to forward the ordinance and said
OWS would guarantee a high recycling rate and bear out-of-pocket costs
if the recycling rates promised were not adhered to. Mr. Botteri
acknowledged there was a conflict of interest issue, but said it would
be fair to let OWS bid and compete with other vendors.

Merle Irvine, Wastech, Inc., discussed the ordinance and vertical
integration. He said he would like to see a healthy system
instituted; not one with minimum guarantees. He said if the landfill
operator was not allowed to bid, the regional solid waste system would
benefit in the future.

Councilor Ragsdale asked for staff's opinion on the ordinance. Rich Owings, Director of Solid Waste, said staff had no opinion on the ordinance.

Councilor Gardner said the conflict of interest issue was worrisome. He did not know whether Ordinance No. 88-260 would help Metro avoid future problems. He said contract length was the most important issue. He noted the Oregon Processing and Recycling Center (OPRC) contracted for shorter time periods which meant policies and goals could be changed or adjusted. He said if a contract was signed with the landfill operator for a transfer station, the contract would probably stipulate at least 10 or 20 years, which would not encourage flexibility or take advantage of any improved technology. However, he did not support Ordinance No. 88-260 because it was narrow in scope and would not allow the landfill operator to bid. Councilor Gardner said he would like to see a broader policy adopted which would enable the public and Metro to be partners.

Councilor Kelley said she firmly believed in competition and could not support a variance on vertical integration in the Metro Code. She said Metro had already given OWS the landfill and if they were allowed to bid on a transfer station the entire region could be monopolized. She said the benefits Metro would receive if OWS had the successful bid would not last. She said the other issue related to the ordinance was whether Metro should advocate public or private facilities.

Councilor Ragsdale said Councilor Kirkpatrick's language was simplistic. He asked Mr. Botteri additional questions about OWS' proposed bid. Mr. Botteri said if Metro was suspicious, there were safeguards to protect Metro. Councilor Ragsdale asked how OWS would respond to tough franchising instituted by Metro. Mr. Irvine said Metro would break new ground. Mr. Irvine said his company perceived the proposed facility not as a transfer station, but as a processing recovery facility. He recommended haulers be interviewed about the gatehouse situation.

Chair Hansen referred to the promise by OWS to dispose of waste for free if not recycled. He said if such a stipulation was included in the bid document, OWS would be in a powerful position to submit a successful bid.

Councilor Ragsdale said staff could assist in the bid composition on length and structure of contracts. He said OWS should be told what Metro needed, whether they submitted a bid or not.

Motion: Councilor Ragsdale moved that staff frame questions to be asked to analyze further issues surrounding Ordinance No. 88-260.

Vote: Councilors Gardner, Kelley, Ragsdale and Hansen voted aye. Councilor Kirkpatrick was absent. The vote was unanimous and the motion passed.

The Committee decided to continue consideration of Ordinance No. 88-260 to the meeting of August 30.

3. Consideration of Resolution No. 88-971, for the Purpose of Approving a Request for Bids (RFB) for Waste Transport Services (to the Arlington Landfill)

Judge Laura Pryor, Gilliam County, said an issue had come up since the bid document for transportation had been issued. She said there was concern, since the transportation modes were unknown, that Gilliam County would need to construct highways and possibly issue a bid. She said a conservative estimate of cost was \$3.2 million. She understood Metro needed a shorter contract length, but said if Gilliam County had to issue a bond, they wished to have some assurance on the contract. The Committee and Judge Pryor discussed the issue further. The Committee agreed Judge Pryor's concerns were valid and said they would be addressed in the bid package document.

Bob Martin, Engineering Manager, gave an overview of the bid package. He said Jim Watkins, Engineer; Chuck Geyer, Analyst; and Judge Pryor had made real contributions to assembling the bid package document. Mr. Martin discussed criteria used to create the bid package. He gave a timeline of events which would begin with recommendation and adoption of the RFB package; a two-month bid process; January of 1989 the Council would award the contract; and January 2, 1990, the contractor would begin transport. Mr. Martin agreed with Judge Pryor's request and said it was sensible to include variables in the contract's timeline.

Mr. Martin discussed mitigation for the community of Arlington. Councilor Ragsdale said the enhancement fee should not be connected to the cost of transportation. Mr. Owings said that would be difficult when the cost of transportation was unknown. The Committee and staff discussed the issues further, including clarity in the bid document; cost per ton spread over a 20-year period; and liquidated damages.

Acting Chair Gardner noted transportation experts were in the audience and wished to testify on the resolution.

Bud Will, transportation consultant, said the bid document did not offer protection for the equipment owner. He said if a window were broken or a door blew off, the equipment owner was not covered. He said this might present a problem for potential vendors. He said this was a standard transportation concern as outlined in the "Intermodal Transportation Guidelines."

Barry Gross, Union Pacific, asked the Committee not to recommend the resolution for adoption at this time because Union Pacific had only had the document for three days and required additional time to study it. He said Union Pacific could submit recommendations by Friday which could lead to a cheaper bid document.

Councilor Ragsdale asked staff when the bid document was distributed and if a two-week delay in consideration of the resolution would affect the timeline. Mr. said the bid document was distributed recently but that staff had been in contact with potential vendors. He said a two-week delay would not affect the schedule of events.

Jerry Bader, consulting engineer, discussed containers and liquidated damages. He said the bid document would need to reflect true damages to the contract holder. The Committee and staff discussed containers further.

No one else appeared to testify and Acting Chair Gardner closed the public hearing. The Committee discussed the issues further and decided to continue consideration of Resolution No. 88-971 to the next scheduled meeting August 30.

4. Briefing on Yard Debris Marketing

Heidi Seiberts, Analyst, discussed the growth of yard debris composting and processing and nursery surveys. She said it was a challenge to test for toxicity. She said the first project and objective was to get compost converted into a marketable product and the second major objective was the curbside development project.

Councilor Kelley asked if anything would be done with yard debris in addition to creating compost products, such as production of burning logs. Ms. Seiberts said a 1986 marketing plan analyzed that option, but there was not sufficient market for the logs, and it was decided to concentrate on nursery products instead. The Committee and staff discussed the issue further. Councilor Kelley asked Ms. Seiberts to pursue the marketing of burning logs and any other products further.

5. Briefing on the Solid Waste Department Work Plan for FY 1988-89

Mr. Owings distributed the "Solid Waste Department Work Plan for FY 1988-89" and said it would be updated quarterly or by project. Staff hoped to use the Solid Waste Department Work Plan as the basis for next year's budget.

Councilor Ragsdale said the Committee would need time to review the document and asked Ray Barker, Council Analyst, to schedule this item again to discuss the matter further.

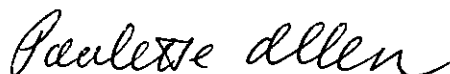
6. Discussion on Public Proposal for Metro East Transfer and Recycling Center

Councilor Kelley said the primary issue seemed to be the cost. She asked if the budget should be amended to hire staff to determine if Metro should have publicly-owned facilities. She said in that context, staff could submit the pertinent issues for review on the issues.

Mr. Owings asked if such steps would refer to a municipal facility. Councilor Kelley said at another meeting, discussion could take place to decide what steps were necessary, and whether to pursue the option passively, aggressively or not at all. Acting Chair Gardner said most of the Council expected some types of public options.

Acting Chair Gardner adjourned the meeting at 9:59 p.m.

Respectfully submitted,



Paulette Allen, Clerk
SWC88.229