

MINUTES OF THE COUNCIL SOLID WASTE COMMITTEE

August 17, 1993

Council Chamber

Committee Members Present: Roger Buchanan (Chair), Ruth McFarland, (Vice Chair), Susan McLain
Committee Members Excused: Ed Washington, Judy Wyers
Other Councilors Present: Richard Devlin, Mike Gates, Sandi Hansen, Jon Kvistad, Terry Moore, and George Van Bergen

1. Consideration of August 3, 1993 Solid Waste Committee Meeting Minutes

Motion: Councilor McLain moved to approve the August 3, 1993 Solid Waste Committee meeting minutes as submitted.

Vote: Councilors McLain, McFarland and Buchanan voted aye.

The vote was unanimous and the motion passed.

2. Solid Waste Updates

o General Staff Reports

Bob Martin, Solid Waste Department Director, presented the staff report, and said the Tualatin Valley Fire and Rescue District had reported difficulty in disposing of petroleum-contaminated soils (PCS). He said they have asked Metro allow them to take PCS from their jurisdiction outside of the region. They intend to dispose of the PCS on property under their control, paying no Metro fees. He noted no policy currently existed for such an action. Mr. Martin suggested a policy could be developed to provide a framework for reasonable hardship exceptions involving special circumstances to the collection of user fees to be brought forward to Council for possible adoption. He indicated he did not feel he had a clear administrative path to accommodate such matters, but could provide an exception in this case. nevertheless. He said a combination of both approaches could be used, providing for an exception in this case and subsequently developing a policy applying to other cases. Mr. Martin said an approach providing for no exception and no policy could be utilized as well. He said his recommendation was to grant favor to the Tualatin Valley Fire and Rescue District in this case and proceed with development of a policy for such matters for limited and special circumstances. Mr. Martin said Gary Wells was present to represent the District should the Committee have questions. He noted a copy of the letter from the District was included under Tab D in a notebook to be distributed to the Committee under the agenda item pertaining to the Wilsonville Transfer Station.

Councilors McFarland and McLain advocated for development of a policy to cover such matters. Councilor McLain suggested using the Tualatin Valley Fire and Rescue District as an example from which to draw in the development of such a policy. She requested the District prepare a presentation when the policy proposal came before the Committee. Councilor McFarland recommended the matter be placed as a formal agenda item at a later date with interested parties available to present testimony. Mr. Martin agreed to work with the District and to work on development of an ordinance to bring forward to the Committee.

o Waste Reduction Program Activities

Debbie Gorham, Waste Reduction Manager, introduced Genya Arnold, Associate Solid Waste Planner, briefed the Committee on two waste minimization projects. 1) Ms. Arnold referenced a booklet entitled, "Recycling is Good

Business, Waste Minimization for Hotels," and said the National Recycling Congress had targeted Portland for a recycling conference in October, 1994. Ms. Arnold said the program would then be shared with Portland visitors through hotel involvement. She said the booklet would be used as a tool at an upcoming workshop in October between Metro and POVA. 2) Ms. Arnold presented a video Public Service Announcement to be aired regarding the "Earth-Wise Business Recognition Program," developed with KGW-TV and funded by Portland General Electric. She explained the program would serve to certify applicant businesses that met criteria demonstrating adopted environmental and recycling policies.

Terry Petersen, Planning and Technical Services Manager, addressed the Committee regarding a financing for solid waste programs and activities.

Councilor McFarland asked Staff to reflect in their report why the tipping fee would be raised if no additional costs were incurred regarding funding the Wilsonville Transfer Station.

Mr. Petersen said a Request for Proposals was issued three weeks previously regarding the rate study project, and reported that ten firms were proposing on the project. He said one member of the Solid Waste Advisory Committee (SWAC) and one member of the Rate Review Committee (RRC) had volunteered to help review the proposals with Metro Staff, and briefed the Committee on the planned schedule. He hoped a consultant would be contracted within the next three weeks, and said current programs, costs and methodology were reviewed in a recent joint meeting with the SWAC and the RRC. Mr. Petersen said another such meeting was planned for mid-September, and noted the outgrowth of that meeting, development of a list of conceptual potential alternatives without details, would be brought forward to the Committee in the first part of October. He said the Committee would then be asked to give direction regarding concepts for further work on details followed by a report promising alternatives in October and November.

Mr. Petersen noted another region, Toronto, Canada, also funded all of their programs through their tip fees. He said during the period from 1990 to 1992 their tip fee went to about \$140 per ton, and at the same time tonnage dropped from 1.6 million to about 140,000 tons per year. He said the tip fees had since been rolled back to \$85 per ton, making up the lost revenue through property taxes.

Councilor McLain requested that satellite events for Household Hazardous Waste (HHW) and material recovery needs be included in the fixed and variable costs and fees. Mr. Petersen said the list would include such matters.

3. Response by Solid Waste Staff to Council Staff Memo Outlining Questions Related to the Wilsonville Transfer Station

The Committee, Metro Councilors, and Mr. Martin discussed costs, potential savings and revenue questions regarding the decision whether or not to build the Wilsonville Transfer Station. Mr. Martin restated his understanding of Councilor McFarland's question: why would the system rate have to increase \$4 per ton since it was the same waste already paid for in terms of disposal, transport, and transfer at Metro South. In other words, he said, it was not more waste, not being processed any differently should the Wilsonville transfer station be built, so why should the system rate have to increase. Mr. Martin said in fiscal 1995-96 the system rate impact of this facility, should the Wilsonville Transfer Station be built, would be an increase of approximately \$4.15 per ton, based on several factors: 1) new gate house responsibilities at Wilsonville would add \$.43 to the system rate; 2) approximately 100,000 tons would be diverted from Metro South to the Wilsonville facility. He said operating costs at the Wilsonville facility would be higher, resulting in an increase in the system rate of approximately \$1.99 per ton; and 3) debt service on the project bond would add approximately \$1.50 to the overall system rate.

In response to Councilor Devlin, Mr. Martin clarified waste was transferred currently from Metro South at \$4.55 per ton costs as opposed to \$13.40 per ton at a new Wilsonville facility, and said should the waste be shifted to Metro Central, it would run about \$11 per ton. Councilor Devlin clarified an impact to the system rate would occur with such a shift to Metro Central, but it would not be as great.

Councilor Hansen asked if fees were renegotiated at Metro Central and reduced, how would the overall system rate be impacted. Mr. Martin said the renegotiations did not factor in the \$4.15 per ton figure as they were an unknown factor. Mr. Martin noted other factors would enter into changes in the system rate such as contracts with Jack Gray Transport. He said the upcoming rebidding for the current two transfer station operations would be accomplished in a manner that would hopefully result in a better rate for Metro.

Councilor McFarland asked regarding costs for garbage Metro has paid for to be delivered to Metro Central that was not delivered; i.e., how much over the actual tonnage delivered did the "pay-or-put" contract cost Metro. Mr. Martin said he would be able to provide an explanation at another time.

Mr. Martin referenced a document, a notebook entitled "Information Concerning the Wilsonville Transfer Station," dated August 1993. This document was distributed to the Committee and other Metro Councilors in attendance, and has been made part of the permanent meeting record. He said responses were given to the two memorandums from John Houser, Council Analyst, dated July 28 and August 11 with his memorandums dated August 1 and August 17, 1993 (Tab A). He said he had not yet responded to recent memorandums from Councilor Devlin and Councilor Gates due to time constraints, and said he would do so in the next few days, making the responses available to the full Council.

Mr. Martin said, regarding the presentation by representatives from Willamette Resources, Inc. (WRI), that he did not substantially disagree with their point of view, but that his analysis differed due to a difference in focus. Mr. Martin noted Mr. Knowles had said at the previous meeting that two ways to look the situation existed: 1) a capacity problem, or 2) a financial decision. Mr. Martin noted WRI looked at the situation in terms of a capacity problem, and Mr. Martin said he would encourage the Committee to look at the issue as a financial/revenue related issue. He said the question of importance should be addressed; i.e., 1) the need for an additional transfer station at this time; or, 2) the need for a stable long term financing system for the Solid Waste Department. He said it was not certain whether tonnages would increase or decrease 2%. He said what was certain was an apparent leveling of tonnages overall. Mr. Martin discussed the presentation made at the August 3, 1993 meeting by WRI, and commented regarding increases in the actual amount of tonnage received in the first six months of 1993. He said long term judgments should not be made based on six months figures, and noted rainfall caused heavier weights in tonnages across the scale. Mr. Martin said capacity at Metro South should be considered 400,000 tons and said the station running at 360,000 tons, while not ideal, was possible. He said ideally the facility should run at about 250,000 to 270,000 tons.

Mr. Martin discussed Flow Control Enforcement, and referenced a draft letter located in the referenced notebook dated July 30, 1993 from Schnitzer Steel Industries, Inc. (Tab D) in which was stated Schnitzer fees to Metro amounted to \$60,000 per month on shredder residue. The letter stated further Schnitzer was "seriously considering moving its automobile shredder outside the Metropolitan Service District if necessary to avoid the fees entirely."

Mr. Martin referenced House Bill 2776 dated July 1993, and located in the referenced notebook (Tab D) which would authorize the Environmental Quality Commission to provide funds from public or private sources to owners and operators of motor vehicle fuel storage tanks.

Mr. Martin presented charts and graphs showing impacts on Metro Disposal Rates if the Wilsonville Transfer Station opened in 1994 and projections of possible rate increases from \$75 per ton to \$174 per ton by 1994-95 with loose drop box waste and all commercial waste exclusions (Tab E).

Mr. Martin discussed 1993 Solid Waste Collection Rates with weekly collections for Clackamas, Multnomah and Washington Counties dated August 2, 1993. He said a savings to Washington County residents would occur if the Wilsonville Transfer Station were built.

Mr. Martin displayed a map demonstrating haulers travel times in the region with or without the transfer station built in Wilsonville. He addressed the question of what had changed, and referenced his memorandum dated August 17, 1993 regarding "Recent Events Influencing Wilsonville Transfer Station Recommendation." (Tab H) Mr. Martin highlighted factors which he considered significant and relevant to the recommendation as detailed in the memorandum, such as

potential further program cuts, prospects for movement of commercial activities to outside the region, pending legislation that could exempt certain waste generators from paying user fees to Metro, a proposed system fee not approved by the Metro Council, and the prospect of local jurisdictions ruling against local control of flow.

In response to Councilor Devlin, Mr. Martin said Schnitzer Steel currently used the Hillsboro landfill and paid a \$19 per ton user fee. Mr. Martin said the user fee could increase if the tonnage base decreased. Mr. Martin and Councilor Devlin briefly discussed the Tualatin garbage can fees. Councilor Devlin noted yard debris collection in separate containers impacted the fees in that area, and from jurisdiction to jurisdiction such differences would create impacts.

Chair Buchanan opened a public hearing.

Estl Harlan, Tri-County Consultants, testified before the Committee, and expressed concern regarding the information provided in the referenced notebook, Tab F, "1993 Solid Waste Collection Rates," and noted she had been attributed as the source. She noted incorrect rates were given for Troutdale and Tualatin, and expressed other concerns regarding the accuracy of the information presented. Ms. Harlan encouraged the Committee to pass the issue out of Committee and bring it to the full Council for vote. She reiterated Tri-County Council's support for the building of the Wilsonville Transfer Station.

In response to Councilor Hansen, Ms. Harlan said transportation distances determined where haulers went, and said temporary factors, such as construction on Hiway 26, could impact direction. Ms. Harlan said she did not think haulers currently going to Metro Central would divert to Wilsonville unless due to unforeseen circumstances.

Mike Lynch, Multnomah County Citizens Safety Committee, testified before the Committee and urged a no vote, against the building of the Wilsonville Transfer Station. He said the project was unnecessary and expensive and would serve only as a convenience for Washington County haulers.

Robert Peterson, 8655 SW. Parkview, Beaverton, testified before the Committee, and urged Metro decide not to build.

David Kanner, Public Affairs Director, City of Wilsonville, referenced the previously entered written testimony as of August 3, 1993. He noted the City of Wilsonville was not willing to extend the land use permits and "land-banking" issues as related to the Wilsonville site. He said a significant rate increase for householders was anticipated due in the main part to yard debris collection. In response to Councilor Van Bergen, Mr. Kanner said a \$.50 enhancement fee per ton was anticipated should the station be built.

Councilor Gates expressed concern that the Wilsonville mayor had already so stated the answer would be "no" regarding the land use issue. He advocated for due process should the issue be addressed in the future.

Chair Buchanan closed the public hearing.

Motion: Councilor McLain moved to recommend the proposed Draft Resolution No. 93-xxxx, For the Purpose of Authorizing the Executive Officer to Enter into a Franchise Agreement with Willamette Resources, Inc. for Construction and Operation of the Metro West Station including Exhibit A, Franchise Agreement Between Metro and Willamette Resources, Inc. for the Provision of Solid Waste Transfer and Materials Recovery Facilities and Services dated June 28, 1993 be forwarded to the full Council for review and consideration with no recommendation from the Committee either for or against adoption.

Councilor McFarland stated she concurred with the motion and emphasized no recommendation was forthcoming from the Committee.

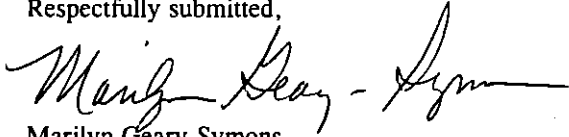
Councilor Gates said he concurred with the motion, and emphasized further discussion at the Council level was necessary.

Vote: Councilors McLain, McFarland and Buchanan voted aye.

The vote was unanimous and the motion passed.

There being no further business, the meeting adjourned at 5:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marilyn Geary-Symons". The signature is written in black ink and is positioned above the printed name.

Marilyn Geary-Symons
Committee Recorder