

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

September 7, 1989

Council Chamber

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

Committee Members Absent: None

Other Councilors Present: Tanya Collier, Richard Devlin, Jim Gardner, Ruth McFarland, and George Van Bergen

Chair Hansen called the special meeting to order 5:40 p.m.

1. Consideration of Resolution No. 89-1131, For the Purpose of Authorizing Negotiations with Trans Industries to Obtain the Metro East Station

Chair Hansen said two citizens wished to testify on the resolution.

Carol Canning, 13838 N. W. Riverview Drive, said she served as a coordinator for the Linnton land use plan. She expressed frustration because Linnton residents did not have sufficient time to respond to the Metro East Station proposal. She discussed traffic and said Hwy. 30 was treacherous, its speed limit often ignored and said access to it was difficult. She said residents had asked the City of Portland for improvements with no result. Ms. Canning said illegal garbage dumping was prevalent and feared the effect of the Metro East Station on these and other existing negative aspects.

Joan Chase, Linnton Community Center director, said Hwy. 30 was hazardous and noted when accidents occurred, traffic completely stopped in the surrounding area. She noted in the case of one accident, drivers had to be routed through a field. She said the Linnton area had a serious existing litter problem.

A letter was submitted for the record from Velma Deppo, Beaver State Scaffolding Equipment, Co., to the Metro Council on this date which stated that company's opposition to the proposed Metro East Station. The letter said there had been a heavy increase in traffic on St. Helens Road and an increased number of accidents. Ms. Deppo stated two company trucks were involved in accidents. She stated to make a left turn onto N. W. Saltzman road had become increasingly hazardous, and in one accident at that intersection, a Beaver State Scaffolding employee was injured. Ms. Deppo stated if the Metro East Station were sited as proposed, it would severely impact existing small businesses in the area.

Bob Martin, Director of Solid Waste, said he wished to address four areas of concern: 1) Traffic/litter; 2) Commercial concerns; 3) Proposers under private ownership; and 4) Superfund issues. Mr. Martin said he attended a

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Linnton neighborhood meeting September 6 and that he heard and discussed traffic, litter, rates, odor, visual aspects and management.

Mr. Martin discussed traffic. He said 80 percent of existing traffic came from the south. He said staff intended to reroute traffic across train tracks through new grading and said the rerouting would not disrupt rail activity. Scott Klag, Associate Solid Waste Planner, displayed a chart and said the figures detailed in the chart reflected data discussed by Mr. Martin. The chart showed a.m peak, midday, and p.m peak traffic statistics at 61st Street, Balboa and Front Avenues. Mr. Martin said affected streets and highways were designed to handle existing and future traffic. He said citizens were concerned about impact. He said Metro could work with the city and state to improve traffic conditions.

Mr. Martin discussed illegal dumping, odor and noise. He said transfer stations did not smell like landfills. He said there was some odor which was nearly exclusive to the facility and rarely smelled off-site. He said solid waste was removed daily. He said there would be some noise which would be more noticeable inside the facility. He said the noise would be less loud than a steel fabrication facility.

Mr. Martin discussed rates. He said Metro's decision to authorize negotiations would have no immediate result on disposal rates. He said the cost of disposal would ultimately reach \$55 to \$60 per ton of solid waste when all facilities in the solid waste system were on-line and solid waste was transported to Arlington Landfill. He said a privately owned site would mean \$2 more per ton. He said the four different proposers offered different costs under different options.

Mr. Martin said citizen concerns expressed were legitimate and he understood the public's reaction. He said it was essential to be sensitive to public concerns in contract negotiations. He responded to Pam Arden, John Drew and Jeanne Roy's testimony given at the September 5 regular Solid Waste meeting. He said Trans Industries (TI) would not include a buy-back center in their proposal. He said Metro could eliminate co-mingled waste from the proposal, but said co-mingling could be utilized also. He discussed Mr. Drew's testimony and said the region had achieved a 26 percent recycling rate and that Metro's efforts to increase recycling would become tougher as the region approached the goal of 52 percent recycled.

Chair Hansen said Metro should increase communications with the recycling community during negotiations. He said when markets reached saturation levels, it was preferable not to compete with source-separation or recyclers. He discussed a possible marketing agreement and said Metro might have to reimburse the operator if recycling at Metro East Station was shut down. Mr. Martin said another option would be to create programs which offered diversity. He said the Oregon Processing & Recovery Center (OPRC) recycled wastepaper when the market was good and when the market was

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not good, compressed wastepaper into briquettes or hog fuel. He said a diverse approach to recycling was the key.

Mr. Martin discussed the four proposers' re-evaluation of their scores. He noted all four considered themselves to be the first-ranked proposer. He said the "Metro East Station Proposal Evaluation August 1989" document was accurate. He said staff checked the Evaluation Committee's meeting tapes and scoring. He said there were some errors in the text of the document.

He discussed Norcal's revised proposal as submitted by Norcal at the September 5 meeting which offered new, improved traffic access to the site proposed in their bid. He said staff questioned if the new access would work and were doubtful the City of Portland and the Public Utilities Commission (PUC) would approve such access. He said Norcal asserted train traffic was not as heavy as previously estimated. Mr. Martin noted the new traffic access proposed was a new fact to the proposer, but not a new fact. He said maps used by Norcal were dated in May when the proposal was still out.

Dan Cooper, General Counsel, discussed his memorandum "Metro East Station Proposals" September 7, 1989, which addressed issues with regard to new information submitted by proposers. He said the new traffic access offered by Norcal changed their proposal and if Metro accepted the new information, Metro must offer all four proposers a chance to revise and improve their proposals.

Mr. Martin discussed proposer concerns on recycling rates. He said two proposers guaranteed a recycling rate. He said the other two, Norcal and Riedel/Wastech, had confused the rates offered and offered only one recycling rate. He said there was confusion between Form G "Materials Recovery Rate" and Form F "Performance Guarantees" and said Form F was the correct form on which to submit proposed recycling levels. He said both proposers re-submitted proposed recycling rates correctly and correct numbers were used to rank those proposals. He said no proposer was rated incorrectly.

Mr. Martin noted one vendor said the three other vendors were non-responsive because they did not guarantee unit costs below a flow of 35,000 ton per month. He said proposers were asked to apply a cost to 15,000 to 35,000 tons per month. He said all proposers were asked to assume full washed flow in the assumption the composting facility would not be part of the solid waste regional facilities.

The Committee and staff discussed scoring methodology used. Mr. Cooper said, based on the issues under discussion, Metro had no basis with which to reject TI's bid.

Councilor Wyers referred to Mr. Cooper's memorandum and answer to Question No. 3. She asked what legal issues were involved in the rescoring of bids.

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Mr. Cooper discussed Norcal's revised bid offer. He said that offer appeared to be based on new information and not information that existed before the original proposal was submitted. He said if Metro considered that bid again with the new transportation access offered, the other three proposers must be offered the same opportunity to submit new or revised information.

Mr. Martin said there was a great deal of data on environmental and Superfund issues related to the site. He said the area had been thoroughly analyzed over years because of a battery reclamation operation. He said the site had numerous wells and test pits. He said test results had been verified and discussed by regulatory agencies, consultants and property owners.

Staff displayed and distributed a map of the site. Also distributed was a letter from Fred Hansen, Department of Environmental Quality (DEQ) director, to Robert Greening, Bogle & Gates, which stated DEQ did not intend to include the TI/American Steel property in their study of the Doane Lake Study area and stated the area was specifically excluded when the study area boundaries were originally determined in conjunction with the Environmental Protection Agency (EPA). The letter stated EPA and DEQ did not currently identify activities on the site which could have contributed to contamination in the area.

Mr. Martin said the primary issue was whether Metro would be responsible for anything found on the site or whether Metro would be responsible for future contamination. Councilor Van Bergen said the Shell Oil property adjacent to the TI site had not had any drillings. He said the proposed site was not impressive and anticipated difficult legal issues in the future. Mr. Martin said the site did not have Superfund status and was zoned for heavy industrial use.

Councilor Buchanan asked what protections Metro had. Mr. Cooper discussed legal issues. He said Oregon Convention Center site history was quite different from transfer station issues. He said the previous owners of the TI site could be held liable. He said Metro should insure it did not become responsible for site clean-up. He said Trans-Waste funds would pay for any problems. He said other sources on other properties could require further investigation. He said the main legal issue would be if the TI site had had any activity on it which had caused pollution of the area.

Chair Hansen referred to Mr. Martin's suggestion a consultant analyze all available environmental studies and data available on the TI site. He asked if the cost would be small enough for the Executive Officer to authorize. Mr. Martin said staff would recommend the Executive Officer authorize employment of a consultant to independently analyze all existing data on the site. Mr. Martin recommended the Council authorize Metro to begin negotiations with TI. He said before the contract with TI was signed, the consultant analysis would be available. Councilor Devlin said

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that analysis could include whatever mitigation might be necessary from other sites. Mr. Martin said mitigation analysis was up to the pertinent regulatory authorities. Mr. Martin noted staff recommended a turn-key operation which would save on costs but entail some risk.

First Motion to Amend: Councilor Ragsdale moved to amend Resolution No. 89-1131 under BE IT RESOLVED, Section 2, page 2, by deletion of (deletions bracketed) [and commence contract negotiations with Rose City Resource Recovery] to read "That the Executive Officer is authorized to terminate negotiations with Trans Industries in the event that the Executive Officer determines that a successful negotiation of a contract cannot be procured with Trans Industries."

Under the same motion, Councilor Ragsdale moved to amend Resolution No. 89-1131 under BE IT RESOLVED, page 3, with the deletion of Sections 3, 4, and 5.

Under the same motion, Councilor Ragsdale moved to amend Resolution No. 89-1131 by the deletion of the second, third and fourth WHEREASES on page 2; and to insert a new WHEREAS (additions underlined) WHEREAS, The Executive Officer concurs with the above, now, therefore.

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

Second Motion to Amend: Councilor Ragsdale moved to amend Resolution No. 89-1131 with the addition of new Section 3, page 3, WHEREAS, In the event negotiations with Trans Industries are terminated, the Executive Officer shall recommend to the Council which of the proposers who submitted proposals under Resolution No. 89-1061B, For the Purpose of Approving a Request for Proposals to Solicit Private Proposals to Design, Construct, Own and Operate the Metro East Station should be chosen to enter into subsequent negotiations (listing of the three proposers).

Vote on Second Motion to Amend: Councilors Buchanan, DeJardin, Hansen, Wyers and Ragsdale voted aye. The vote was unanimous and the motion passed.

Third Motion to Amend: Councilor Ragsdale moved to amend Resolution No. 89-1131 under BE IT RESOLVED, Section 7, "PROVIDED HOWEVER, that such design process costs shall not in any event exceed \$350,000 dollars."

Vote on Third Motion to Amend: Councilors Buchanan, DeJardin, Hansen, Wyers and Ragsdale voted aye. The vote was unanimous and the motion passed.

Main Motion as Amended: Councilor Ragsdale moved to recommend the full Council adopt Resolution No. 89-1131 as amended.

Councilor Ragsdale requested additional testing as part of conditions of the negotiations. He said it was imperative that test wells be clean. He discussed Metro West Station issues.

Councilor Van Bergen expressed concern about entering into negotiations with TI. He discussed Superfund issues and emphasized Metro should not be held liable in the case of environmental damages. Councilor Van Bergen said he required concrete information on all issues before he could vote affirmatively at the full Council on the resolution.

Councilor Wyers said she supported clean-up of the site and adjacent areas, but not the resolution itself. She concurred with Councilor Van Bergen and said she was also worried about lawsuits against Metro. Councilor Van Bergen asked if it were necessary to begin negotiations at this time.

Chair Hansen said he supported the resolution. He addressed concerns expressed by Councilor Van Bergen and said it was necessary Metro East Station be built on time. He said Metro had spent a great deal of time siting the Arlington landfill and said it was necessary for all facilities to be on-line when St. Johns Landfill closed. He noted the resolution before them was to authorize negotiations only with TI. He noted negotiations to construct the Riedel composting facility took 30 months. He said it would be difficult to complete negotiations with TI in two months. He said research on environmental issues could be done concurrently with negotiations.

Councilor Devlin recommended, since time and staff resources were limited, that Metro should not drop evaluation of the other three proposals. Mr. Martin said staff's priorities were the negotiations, execution of the composting facility, the waste services transport contract and remodeling Metro South.

Vote on Main Motion as Amended: Councilors Buchanan, DeJardin, Hansen and Ragsdale voted aye. Councilor Wyers voted nay. The motion passed.

Chair Hansen adjourned the meeting at 8:49 p.m.

Respectfully submitted,



Paulette Allen
Committee Clerk
SWC89.250