

COUNCIL SOLID WASTE COMMITTEE

September 15, 1987  
5:30 p.m. - Council Chamber

Committee Members Present: Councilors Jim Gardner, Sharron Kelley, Gary Hansen, Corky Kirkpatrick, Tom DeJardin

Other Councilors Present: David Knowles

Staff Present: Rich Owings, Roosevelt Carter, Debbie Gorham, Don Carlson, Marc Madden

Others Present: Estle Harlan, Tom Miller, D. Lockwood, M.L. Smith, Robert Zier, Barry Rosen, Paul Romain, Jeanne Roy, William Redden, Alvin Greenberg, Don Barney, Gloria Mills, Mike Bray, Kristine Lambert, Ted Stanwood, David Fix, Roberta Wiley, Robert Hamilton, Michael Sykes, Pam Rensch, Leola Stanwood, Howard Larson, Joe Schultz

The meeting was called to order by Committee Chairman Gardner at 5:38 p.m.

1. Approval of Minutes

Motion:

At the request of Ms. Becky Crockett, the last line of paragraph five on page eight of the minutes of August 11, 1987 was amended to read "He made the statement in his letter that the ultimate approval of the Solid Waste Management Plan by DEQ would be an administrative function if it was a plan developed by regional cooperation".

The minutes were approved as amended.

2. Amendment to BFI Contract for Second Compactor at St. Johns Landfill.

Rich Owings, Director of Solid Waste, explained that one way of extending the life of the St. Johns landfill was to do additional compaction of the garbage.

BFI was running their compactor over each area twice, which gave a compaction rate of 1,340 pounds per cubic yard, well over the amount specified in the contract. By going over the material another time, a compaction rate of 1,500 pounds in every cubic yard could be achieved.

The amendment would require a budget adjustment. The minimum contract price would be \$246,000 dollars per year.

Councilor Gardner asked if the contract with BFI was based on requiring a certain amount of compaction.

Councilor DeJardin asked if it would be more cost effective for Metro to provide the equipment.

Mr. Owings said the existing contract required a compaction rate of 1,200 pounds per cubic yard. Tests showed a rate of 1,340 pounds per cubic yard was being achieved. The gain of the additional use of the landfill would be very important.

Motion:

Councilor DeJardin moved to recommend to the Council that a compactor be purchased. The motion was seconded by Councilor Kelley.

Councilors Gardner, DeJardin, Hansen, Kirkpatrick and Kelley all voted Aye.

3. Resource Recovery Negotiations Recommendations.

Councilor Gardner announced the rules for the discussion of the Resource Recovery negotiations. He said the vendors involved would be heard in alphabetical order and each would have ten minutes to make their presentation. After the vendors were finished, the public would be given a chance to speak. Councilor Gardner requested speakers confine remarks to the vendor selection process.

On September 10th, the Executive Officer announced her recommendation regarding vendors with which to enter into negotiations. On September 22, the Council would vote on the recommendation.

Rich Owings summarized the material delivered to the Committee members: These documents were distributed at this meeting for the record. He also

discussed the history of the project and the vendors negotiation process to date, as explained in the written reports.

In summary, staff's recommendation was for 1) Metro continue to negotiate a Memorandum of Understanding (MOU) with Combustion Engineering for a Refuse Derived Fuel (RDF) facility capable of processing 350,000 tons TPY of solid waste to be located in St. Helens, Oregon; and 2) Metro continue to negotiate a MOU with Riedel/DANO.

Staff also recommendeds that if negotiations with C-E failed to yield a MOU that met Metro's criteria within 60 days, negotiations would be conducted with Schnitzer/Ogden, and failing those, with Fluor/SEI.

#### VENDORS PRESENTATIONS

Mike Bray, Vice President of Business Development, Combustion Engineering, presentated his company's proposal. He discussed reasons C-E's system would be the most advantagous:

1) The cost of building and the cost to taxpayers; 2) low tip fee; 3) C-E's "A" credit rating; 4) the amount guaranteed equity; 5) committment to pass through all state tax credits for which the project could qualify; 6) increased performance guarantees; 7) guaranteed the highest percentage of ferrous recovery. C-E was very pleased with the recommendation of the Executive Officer and looked forward to commencing the negotiation of the MOU as soon as possible.

Mike Smith, Representative for Fluor/Southern Electric International, (F/S) read portions of a letter sent to Councilor Gardner, dated August 25, 1987. F/S objected to other vendors being allowed to resubmit bids for the St. Helen's site--a site initially proposed only by F/S.

No other vendor had secured an ownership interest in that site as required in the project RFP.

Mr. Smith also pointed out that, after five months of evaluation, Metro staff, advisors, and the Citizens' Review Committee recommended elimination of the single processing line, single boiler RDF plan proposed by Combustion Engineering as being technically less reliable and unresponsive to the terms of the RFP and Metro's needs. He said it was difficult to understand how Metro could now completely reverse that conclusion.

He then discussed specific problems with RDF plants and submitted excerpts from a paper entitled "Economic and Reliable Disposal of Solid Waste by Combustion Engineering" which documented problems.

Mr. Smith also referred to a report submitted to staff comparing

RDF and mass burn processing. The study, conducted by an independent consulting firm, Camp, Dresser and McKee, strongly supported the selection of mass burn as the preferred technology by the Lancaster Area Refuse Authority. Mr. Smith discussed other studies in which mass burn technology had been preferred over RDF.

Mr. Smith stated F/S could, using the Shaneway system, guarantee 80 percent recovery of ferrous metals. Metro would receive 100 percent of all revenue from sale of those materials. He also discussed F/S's proposal for producing steam--a superior energy source--and the possible sale of the steam to Boise Cascade.

In conclusion, Mr. Smith pointed out RFP inconsistencies in evaluating proposals had resulted in F/S being assigned a lower bond rating. He also noted Metro had been willing to negotiate with C-E any "windfall resulting from sales of federal tax benefits" even though C-E has been unable to define the term "windfall." He said data had been submitted which would show that F/S's [proposed tip fee was actually lower than C-E's.

Councilor Gardner thanked Mr. Smith.

Gloria Mills, Senior Vice President of Ogden/Martin Systems (O/M) presented a paper concerning O/M's assessment of the Executive Officers's recommendation. The paper was submitted for the record.

Ms. Mills expressed concern about the factual inaccuracies and omissions in the consultants' document that had recommended vendors with which to enter into MOU's. She discussed the following issues:

- 1) The RDF process produced high levels of dioxins (for example, the Haverhill RDF plant--comparable to the C-E proposed plant--consistently produced hundreds of times more dioxins than O/M's Marion and Tulsa plants. O/M could guarantee acceptable, low levels of emissions.
- 2) O/M had a superior track record of successfully operating plants.
- 3) O/M's proposal was financially superior because it could offer more security, less risk and more equity.
- 4) O/M did not believe that an RDF facility would be eligible for more Oregon tax credits than a mass burn plant. Such credits were usable only by Oregon taxpayers who must own the facility.

In conclusion, Ms. Mills pointed out Gershman, Brickner & Bratton, Inc. (GBB) was asking the Council to accept a tip fee "purportedly 10 percent lower as a trade-off for getting half the equipment you asked for and a 100 fold increase in dioxin emissions."

Councilor Kelley questioned Mr. Bray of C-E. She felt the risk factors and emission levels had not been sufficiently evaluated. She had before her information comparing nitrogen oxide levels in mass incineration and RDF plants. She asked if C-E could give specific information regarding studies done on Nox and Dioxins in the two recovery processes.

Mr. Bray said there had been limited studies done comparing mass burn with RDF. One study had been transmitted to staff. He quoted some of the reduction percentages from the study and explained the difficulty of making a true comparison, because in many cases, plants were built some time ago without the sophisticated particulate control and devices in place today.

Mr. Bray introduced Dr. Alvin Greenberg, Consultant from Mill Valley, California, at Risk Scientist Associates, who was an independent consultant to Combustion Engineering.

Dr. Greenberg said the study of the Gallenton, Tennessee plant was reinforced by studies done in Sweden. When non-combustibles were removed, the result was lower metals emissions. Despite what the representative from Ogden systems had stated earlier, it was his understanding that very recent information from researchers in Denmark, the United States and the EPA showed that a scrubber and bag-house system was the best available control technology. It would reduce emissions of a number of substances, including dioxins. He stated he was a toxicologist, not an engineer. With that qualification, he said the data he had seen showed the metals emitted from RDF facilities were indeed lower.

Councilor Kelley said she was very concerned about plant emission levels and asked the vendors and consultants to explain differences in levels produced by RDF and mass burn technologies in language a lay person could understand.

Ms. Mills said test data and twenty years of operating experience clearly supported her earlier claims about emission levels. She described the emission reduction process proposed by S/O.

Mr. Bray of C-E stated the problem with comparisons was that no studies had actually compared the emissions of RDF and mass burn plants. There were few direct comparisons from plants that processed and removed recyclables, metals and non-combustible materials and those that did not. The one significant test that actually did a comparison with the same emission control equipment and tests were the results he quoted earlier. He could not discuss facilities and representations from plants using old technology with ones using new technology.

Mr. Smith of Fluor/Southern said that the Takona technology provided exclusively by Reilly Stoker, U.S., who would be joining with them in

this venture, has been proven in two hundred fifty operating plants. One plant had been operating since 1968. "We have no qualms whatsoever that we are going to meet the environmental emissions required for this facility." he said.

Councilor Kirkpatrick asked C-E if their proposal would meet state and federal emission levels, whether they might beat the standards and if the state standards were more stringent than the federal standards.

Ms. Mills stated that there were no "standards", either in Oregon or at the federal level, specifically for dioxin. However, state guidelines on the east coast specified a two nanogram limit. The Marion County permit had a significantly higher limit. Schnitzer/Ogden beat it by 44 times. The next permit to be issued in Oregon would not have that same high limit. Oregon would follow the lead of the highly populated states and accept those lower dioxin limits.

Councilor Knowles said that if that were the case, the information would emerge during the MOU process. The process would ensure vendors could comply with those kinds of criteria.

Councilor Gardner asked Wendy Sims of the Air Quality Commission, Department of Environmental Quality to discuss what the state requirements would likely be.

Ms. Sims said the DEQ air permit process for this type of facility required analysis of the best available control technology. The DEQ had authority to regulate any air contaminant, per the Clean Air Act. When the Marion County permit was granted, DEQ had the ability to regulate pollutants not regulated in states that only looked at the federally regulated pollutants. Therefore, DEQ could require acid gas controls for HCL, which was not a federal criteria pollutant, she explained.

Ms. Sims reported that a policy statement had been issued by the EPA indicating acid gas could be controlled by a scrubber type technology, very similar to what is on the Marion County facility. The DEQ could establish limits for plant site emissions in terms of tons per hour and tons per year. BACT determinations were based on the available technical knowledge at that time. Available data indicated lower dioxin limits could be achieved than when the Marion County permit was granted, Nox being an exception. She reported the DEQ would have to reevaluate those limits and establish new standards at whatever point in time Metro applied for its permit.

Commissioner Knowles asked if dioxins were a regulated pollutant.

Ms. Sims said they were not regulated in the sense that DEQ had a specific stack limit, or in the sense that there was an ambient air

quality standard. DEQ did its analysis of available control technology and based its findings on available technology, and established facility specific-emission limits for permits.

### Testimony of Citizens

Ted Stanwood, 56934 Poplar, Warren, Oregon, stated an invitation had been extended to the Council in July to come to Columbia County and hold public meetings. The Committee's meetings were difficult for most of the St. Helens' public to attend.

Kristine C. Lambert, 34307 Sykes St., St. Helens, Oregon, testified she was concerned about emission levels. She also urged the Councilors to meet with the people in Columbia County. " There are a lot of people who are not happy with the decision," she said.

Pam Rensch, 35024 Maple St., St. Helens, Oregon, Co-Chair of Alternatives to Mass Burners in St. Helens, said she strongly opposed a mass burn or an RDF facility. "There are far too many people who feel they have been misrepresented and are finding decisions made for them," she said. She thought an environmental impact study of the proposed project should be done. Ms. Rensch also requested that Councilors come to Columbia County to meet with residents.

Leola Stanwood, 56934 Poplar Lane, Warren, Oregon, said she did not think enough studies had been done and she was especially concerned about dioxins in the water stream from mills. She didn't think she would like to be one of the Councilors who had to make the decision in ten days. She requested a meeting in St. Helens so people in the area could talk to Councilors and get some answers to questions.

Councilor Gardner wanted to make it clear that all the Councilors had agreed ten days was much too soon for a decision. The Councilors had been studying the problem for a year and would be doing much more work before the final decision was made, including a visit to Columbia County. The ten days mentioned was the next step and not a final decision, he said.

Howard Larson, 34486 Bennett Road, Warren, Oregon, a board member of Columbia County Farm Bureau, which represented 200 members in Columbia County. He said a letter had been mailed from that group to their County Commissioners stating opposition to putting a burner in St. Helens. They were now on record before the Metro Solid Waste Committee stating their opposition.

Councilor Gardner asked the Clerk to make sure all Councilors received a copy of materials received at the meeting.

Robert Hamilton, 35370 Devonshire Court, St. Helens, Oregon, said he wished the record to show he was opposed to the burning of non-recyclable materials, because poisonous gaseous compounds were formed and they were some of the most toxic varieties known to man. Through studies performed, it has been shown that dioxins of two parts per million had caused cancer in laboratory animals. He recently read in the local paper that dioxins are were now being found downstream from paper mills. "We are systematically poisoning ourselves and the environment," he said. He requested Metro concentrate efforts on removing non-recyclable containers from consumer products and elsewhere. He encouraged composting to reduce pressure on landfills. He thought landfills should be located in areas where rainfall levels are very low so leachate problems could be more easily controlled. "If we must burn our refuse, let's use all possible filters," he said.

Joe Schultz, 705 McBride, St. Helens, Oregon 97051, Vice President of the Port of St. Helens, stated he felt the first priority was to get some kind of certainty in the process. What was needed was an environmentally sound plant, an economically sound plant, and decisions. He suggested Metro have an Oregon based technical review by a peer group-- perhaps people from OHSU, OSU, U of O, U of Portland, PSU and others. Both sides could submit their information. The group would then come to some conclusion regarding the health risks to the people of St. Helens and prove to them that staff had put out an environmentally sound and economically sound program. Mr. Schultz said he was a proponent of the burner.

Councilor Kirkpatrick asked Mr. Schultz if he felt it was important to do such a study before Metro started its MOU process, or could it be done in conjunction with such a process.

Mr. Schultz answered it should be done immediately, before the Council made the ultimate decision whether to build the burner. It must be a study done by totally independent people and the community must be assured of that, he emphasized.

Councilor Hansen said Mr. Schultz had raised a very good point. A study had been done by people from the health professions concerning the proposed Oregon City facility. As he recalled, their conclusions were that the facility would have no health impact on the people within the surrounding area. Unfortunately, their report was issued about five months after the election that stopped the project.

Councilor Knowles said he agreed Mr. Schultz had made some good suggestions, but he thought he was speaking to the wrong group. His own opinion was that St. Helens should go through that process rather than Metro. The vendors will be doing the site selection process.

Mr. Schultz thought Councilor Knowles was absolutely wrong. "Whose garbage is coming to St. Helens?" he asked.



Councilor Knowles stated that one of the reasons the Executive Officer had recommended the facility be built in St. Helens was that Metro wanted to avoid inserting itself into the siting process and wanted to avoid the political turmoil that had occurred with other projects. "You and others were here telling us that we ought to go to St. Helens and now it seems you are beginning to backslide a bit," he said.

Mr Schultz replied he was only asking Metro to justify the environmental impact of a plant to the area.

Michael Sykes, Chairman of the Columbia County Commission, stated the Commission had expected the Metro process would move faster. For four years they had been trying to develop a project to solve the region's solid waste problem. He felt there was a lot of support in Columbia for the project, but there were also questions. He was concerned environmental questions had been ignored during the limited negotiation process.

Columbia County still supported the project, he said, but there had been no committment 1) to take Columbia County's waste, 2) that the material be barged, 3) that it be a privately owned facility and 4) that it meet the most environmentally sound tests possible. He had heard Chairman Gardner say it would be another year until some kind of a decision might be made. In the meantime, Columbia County had about 20 months to dispose of their own 40 tons per day. They did not have a large enough waste stream to move independently and they do not want to spend another year trying to promote a waste energy plant in St. Helens only to find out that there is not going to be a plant and no place for them to take their waste.

Comissioner Knowles said it would be the vendor who had to make the kinds of committments Commissioner Sykes was talking about.

Councilor Gardner believed Metro had made commitments all along that it would take Columbia County's waste if the project were built in St. Helens.

Councilor Kirkpatrik asked Ms. Sims if a study similar to the one Mr. Schultz suggested was done in Marion County.

Ms. Sims, representing the DEQ, replied there was no state requirement for an environmental impact statement. There was an air quality permitting process. Her personal feeling was that an EIS would be appropriate. She explained when she had earlier described applying best available control technology, under DEQ's definitions, that was not the same as the most stringent possible controls. There was a stricter level of control required in areas that were non-attainment within the air quality standards. That level did not take economics into account, she said. An example was Nox control. She said if someone wanted to

require more stringent controls than BACP, it would have to be part of the contract.

Councilor Gardner asked Ms. Sims to comment on the earlier claim made that C-E could not claim the state tax credits for pollution control because of not being an Oregon company.

Ms. Sims said the tax credit law changed in the 1987 legislature. She was not familiar enough with those changes to answer the question.

Ms. Debbie Gorham, Solid Waste staff, said a written opinion on the tax matter had been obtained and was available to Council members.

Ms. Mills stated there were no "standards", either in Oregon or at the federal level, specifically for dioxin. However, state guidelines today on the east coast specified two nanogram limits. The Marion County permit had a significantly higher limit. Schnitzer/Ogden beat it by 44 times. The next permit to be issued in Oregon would not have that same high limit. Oregon would follow the lead of the highly populated states and accept those lower dioxin limits, she said.

Councilor Knowles said if that was the case, it was clearly something that would emerge during the MOU process: one reason for entering into these final negotiations was to make sure vendors could comply with those kinds of criteria.

Councilor Kirkpatrick said she felt it was important to clarify the vendor was expected to find the site. Metro had made the St. Helens site a requirement because they were willing to host the project. However, on the issue of Metro's plant being environmentally sound and economically sound, that is Metro's issue as well.

Councilor Hansen said Metro needed to develop a partnership. The credibility of the type of study that has been suggested depended on it not being just a Metro study or just a Columbia County or Port of St. Helens study.

Councilor Kirkpatrick asked if C-E had ownership of a site. Mr. Bray replied they did not. They had a letter whereby St. Helens Port Authority identified land that they would be willing to make available to C-E for the facility.

Councilor Gardner asked Ms. Mills if the RDF process created more dioxins and toxins. He asked why RDF burners were more toxic.

Ms. Mills replied that RDF was finely ground garbage with the non-combustibles, in theory, removed. Because it was a more finely divided material, problems resulted. The material was introduced high up in the furnace and it was burned before it got to the bottom. It was then

discovered that some materials just sank to the bottom and didn't burn and the introduction point of the RDF fuel into the furnace was lowered. It was now fairly low down in the furnace and there was a stoker grate at the bottom, so that a portion of the combustion took place between introduction of the fuel and the stoker surface itself. But it was a more finely divided fuel, not the massive raw garbage. Consequently, there was a higher level of particulate carryover through the entire system; fly ash. The particulate was carbon. Carbon, together with the chlorine were the precursors for dioxin. The carbon was present throughout the entire boiler system mixing with the chlorine. The opportunity for dioxin formation within the combustion system was then increased and prolonged and more dioxin comes out of the boiler. Ms. Mills said that did not happen with the old fashioned mass burn, multiple pass boiler system--the particulates are removed out. They were not as heavy to begin with. The particulate outlet loading from a multiple pass mass burn boiler was lower by design than an RDF burner boiler. Ms. Mills said there was no 100 percent environmentally safe way to dispose of the waste we produced. "Some things should be disposed of in a very well controlled combustion plant," she stated.

Councilor Knowles noted the Council was dependent on the staff and consultants for the information on which to base its decisions. Ms. Mills had spent a good deal of time calling into question their intelligence and integrity. He asked Ms. Mills if she simply disagreed with their analysis or if there was another motive that has affected their ability to analyze the companies in a neutral fashion.

Ms. Mills stated "All I can tell you, Commissioner, is that I have looked at the written material that has been provided and have been surprised that you haven't seen everything that I've seen. It's supposedly in your files. I can only say that I do not understand how your technical consultants could have reached the conclusions they reached based on the facts that they have given you. You cannot go from one to the other."

Mr. Bray of C-E requested time for rebuttal of Ms. Mills statements. He did not feel it was fair to focus on one of a multitude of potential pollutants that the plants generated. He believed the plant had to meet the emissions standards established by the state and the federal government.

Councilor Gardner asked Mr. Bray if he anticipated the facility would be able to meet the requirements of potential steam customers? Mr. Bray answered that it absolutely would. He said the production of steam is not the issue. The issue that was that the price of the steam was basically the same price as electricity, so there would be no economic benefit for Metro to go one way or the other.

Councilor Gardner asked if this would be true even during down time.

Mr. Bray replied it would be necessary examine customer requirements. C-E had provided a number of boilers to Boise-Cascade and typically had multiple boilers for back-up in the process. It would be an issue to be looked at, whether it would be required, but it could be handled.

Mr. Smith, of Fluor/SEI said one of the questions a steam customer should ask would be about reliability. A back-up boiler would raise costs. Mass burner systems supplied multiple trains to get the required reliability.

Councilor Kirkpatrick was curious to know if the committee initially recommending RDF as not appropriate had had an opportunity to review this recommendation and to comment to the Council.

Debbie Gorham, Solid Waste Analyst, replied that committee had not reviewed it because they had been disbanded. One member, Dave Phillips, had reviewed some of the documents out of interest. Councilor Kirkpatrick said she found it very unusual that so much weight would be given their evaluation on the first round and then not to consult them before the second recommendation was made.

Councilor Gardner stated it was his impression the Executive expected that after the initial evaluation, Metro would enter immediately into the MOU negotiations. The Council had changed that plan, however. That could explain why, having once disbanded, the committee was not brought back to have a role in the preliminary decision.

Councilor Gardner asked Mr. Zier to explain why in the initial RFP it was felt having two processing line boilers was essential and that now it is not felt to be necessary.

Mr. Zier replied the team actually did think a two-line system would be "better" than a one-line system. "In the particular case where you have much more waste than the amount of waste you are going to dedicate to this facility, it isn't as important a criteria as it would otherwise be. If you are trying to match the facility size to a waste stream such that is essentially taking care of all the waste, even a two-line system is probably not adequate to totally replace a landfill. Basically the reason we specified a two line system was that it would smooth out the management of Metro's solid waste system. This is all related to the issue of whether any of the proposers accepted all of Metro's requirements. None of them accepted every requirement. This is an example of where C-E took an exception to a requirement in their RDF dedicated boiler system."

Mr. Zier said he thought that because Metro would have more waste than the facility would be able to process at any one time and C-E was willing to guarantee to process and dispose of 350,000 tons a year, that it was in some sense equivalent. It is not in all senses equivalent. During the

period of shutdown, no waste would be going to the facility, he explained. In the case of shutdowns of the two line systems, half of the waste would have to be diverted to other places. Councilor Kirkpatrick asked if the total result would not be the same. Mr. Zier replied it would be the same by the end of the year, but it took more management to shut everybody off from the facility than it did to shut off half of them at a time.

Councilor Hansen asked Mr. Zier about the statement made by one of the vendors that the Shaneway system included aluminum and was probably preferable as far as promoting a recycling message than C-E's proposal.

Mr. Zier said the team had wrestled very hard with the issue of the Shaneway system. GBB was essentially unable to verify Shaneway's claims. It was, according to Fluor, a proprietary system and no one was allowed to look inside the proposed "black box." It was essentially a trailer that incinerated material went into and materials were recovered that Fluor guaranteed to remove the aluminum from. He pointed out that Odgen/Schnitzer had also guaranteed no ferrous would ever show up in the landfill. GBB felt they had given Fluor a very strong benefit on their Shaneway system. Again, C-E's guarantee of removal of post-incinerated ferrous was also a strong situation. Mr. Zier said "We could not in all good conscience give Fluor credit for aluminum recovered from post-incinerated trash without some ability to verify the technical claims of the Shaneway system."

Councilor Kirkpatrick asked about Fluor's guarantee of an "A" bond rating. Mr. Zier said that GBB had been relying on investment bankers for that opinion. The bankers' opinions were that Fluor was at best a Triple B- credit. Triple B- would actually be a non-investment grade rating. Fluor had a very strong partner, Southern Electric International. Its parent company, the Southern Company would dwarf the assets of any of the other firms involved in this industry. However, he explained, the problem was that the Southern Company was a utility and a utility was not allowed to pledge its assets without approval by the SEC. The Southern Company was able to pledge through performance bonds up to \$100 million. This was not sufficient to back this project. "When Standard and Poors or Moody's looks at a project, if there is a gap between what is required and what can be pledged, the credit rating company says that gap has to be covered. Fluor and the Southern Company are in the process of getting permission to raise the \$100 million to \$500 million, but it is speculation whether the SEC will grant that ability," he reported.

Councilor Kirkpatrick asked Mr. Zier to address the emissions and why GBB thought the RDF was better than the mass burner. Mr. Zier said as Ms. Sims explained, all the proposers would have to meet whatever requirements DEQ established. GBB realized that in the data associated

with best mass burn plants and the "best RDF plants" there is a wide disparity. However, C-E would have to meet DEQ's requirements. That would be one of the "hot" items in the MOU negotiations," he said.

Mr. Zier further said GBB had concentrated on Nox because that was the one emission that would not be regulated by law. In addition, because of recent experience in the East and Oregon's ability to regulate other emissions, GBB took the view that DEQ would regulate the other emissions, such as particulate, acid, acid gases, and dioxins.

Councilor Kelley thought Nox levels were regulated. She was unclear about why GBB recommended an RDF system and thought RDF environmentally more acceptable. Tests she had seen showed that was not the case.

Mr. Zier explained that GBB had found that Nox was likely to be lower with an RDF system than with a mass burn system and the other pollutants would be regulated. There are two sources of Nox from these facilities, thermal Nox and fuel Nox. In the production of RDF there is more opportunity to remove fuel Nox from the fuel. Fuel Nox was nitrogen compounds which were inherent in the fuel. Those were substances such as grass clippings which were rich in nitrogen compounds. If those grass clippings made their way into the waste stream they would be in the fuel, they would be burned and they would produce Nox in the emissions. In the case of the RDF system, only some of the grass clippings would make their way into the process residue. In the case of the mass burn system there was no opportunity to eliminate grass clippings because they have to go into the furnace.

Mr. Zier explained thermal Nox was produced in the combustion process. The rate of cooling of the gases in the combustion was related to how much Nox was produced. In a dedicated boiler there was more opportunity for the gases to be cooled more quickly and thus produce less Nox.

Councilor Kirkpatrick asked if our RFP required an ownership interest. Mr. Zier replied that during the RFP process, each proposer offered a site. When the Council decided to move to St. Helens, the team didn't require a site, but it had specified a proposal in St. Helens.

Councilor Kirkpatrick asked Mr. Zier if he thought the proposals were economically sound. She noted the vendors did not seem to agree on the amounts quoted.

Mr. Zier said he did not like making comparisons, but he felt that Fluor had made two errors. A steam line would add 20 cents whether or not the economics were feasible. In the meantime the value of a kilowatt hour had decreased about one cent which translated to about \$5 per ton in tipping fees. He felt the tipping fees were definitely competitive with the rest of the country. "The tipping fees you have in the project are

extremely sensitive to two things; energy prices and interest rate," he noted.

Motion:

Councilor Kirkpatrick moved to recommend the Council accept the Executive Officer's recommendation with the stipulation that Metro immediately proceed with an independent study of the environmental issues, so that comparisons could be made as the MOU continues. The other vendors would still be available if there was an immediate determination that Metro could not satisfy its environmental concerns with the RDF process.

Councilor Hansen seconded the motion.

Councilor Kirkpatrick requested that some kind of a report from Mr. Phillips or members of that initial committee be brought in, to assure the Committee that the further research into RDF was appropriate.

Councilor Knowles stated because he was not a member of the Solid Waste Committee, he would abstain from voting.

Councilor Kelley opposed because negotiating with one vendor made no sense to her. It would not help understand the comparisons between the technologies. She suggested that at least one of the mass incineration proposals, which she assumed would be Ogden's, would also be considered for an MOU.

Councilor Hansen thought there were some things that could be gained by negotiation with one vendor. "We start limiting the number of roads we are going on, so that we can look at the road we are on and see whether there are bumps in it. If so, we can move back and evaluate. The longer we stay on more than one road, the less clear things are going to be."

Councilor Kelley said she understood what Councilor Hansen was saying, but she thought the road he was taking was rather myopic. She felt there was a great deal more to learn by comparing two different technologies, especially emission levels.

Councilor Kirkpatrick said that it was always Metro's intent to negotiate with one vendor. She thought the E-I-S study should be done first, however.

Councilor Kelley stated that it was the recommendation of the original task force to take two mass incineration vendors into the MOU, so that both those technologies could compete. Their policy recommendations was that RDF was "not up to speed" with mass incineration. She felt Metro would be better served now by having two different technologies compete.

She failed to see what could be learned at the end of the MOU process not already known.

Mr. Owings said proceeding with two MOU's would more than double the amount of time needed for negotiations.

Councilor Kelley asked Mr. Owings to explain what he thought could surface that would make him change his mind about the Executive's recommendations. Mr. Owings said a potential item could be failure to come to agreement on risk position or guarantees of performance.

Councilor Kelley asked Mr. Owings to identify the risks. Mr. Owings said Metro should not substitute itself for the judgement of the agency that was responsible for regulating in that area.

Councilor Kelley pointed out Mr. Owings was really saying the DEQ was responsible. There was no policy statement that says Metro could exceed DEQ's requirements, she said. " We are going to spend a lot of money. We want the best in the nation. Could you guarantee me that this is going to occur in this state?" she asked.

Mr. Owings replied that negotiations would be made with the vendor to meet the standards set by DEQ. It was possible for the Council to set a policy for standards higher than those of DEQ, but that had not yet happened. He also pointed out that although one vendor stated RDF produced more Dioxin than mass incineration, that was a claim and not necessarily a fact.

Councilor Kirkpatrick asked staff to confirm this claim. Mr. Owing said it would be checked. He also thought if Councilors wanted the facility to meet the lowest available standards of emissions, it would need to consider it very carefully because there are other policies that said the Council wished to pursue energy recovery if it was no more than 20% premium over landfilling. It was also correctly stated by the same vendor that there were emissions from landfilling.

Councilor Gardner said the motion on the table stated the Committee wished to make a study. It was certainly within the right and power of the Council at some future date to say that any project Metro built do more than just meet the standards be set by a state regulatory agency.

Councilor Hansen suggested the Committee endorse the Executive Officer's recommendation with the additional creation of an Oregon based independent study.

Vote:

Councilors Gardner, Kirkpatrick and Hansen voted Aye.  
Councilor Kelley voted Nay. The motion passed.



Councilor Gardner called a five minute break.

3. Report on the Oregon City/Clackamas Transfer and Recycling Center Litigation.

Mr. Owings gave a status report concerning Oregon City's contention that Metro had continually violated the tonnage limits at the CTRC facility. He reviewed solutions considered. Metro had filed for an extension to the limit which the City had denied.

Motion:

Councilor Kirkpatrick moved that Metro abide by the tonnage limit set by Oregon City.

Mr. Owings advised working with Oregon City to extend the tonnage limit. He discussed problems with limiting tonnage, including possible illegal dumping, traffic problems early in the day and staff scheduling problems.

Councilor Kirkpatrick was very concerned about the Oregon City issue. She preferred not to settle the problem in court. She said if it were necessary to close the gates early with a sign stating the reason was to conform to Oregon City's ban, then it should be done. Oregon City needed to understand the implications of their demands.

Mr. Owings said discussions had been going on and all attempts were being made to solve the problem through means other than litigation.

Councilor Knowles asked the exact status of the litigation. Mr. Owings said an injunction had been filed and was scheduled for trial on January 15, 1988. The LUBA decision might precede the trial date.

Councilor Kirkpatrick again moved that Metro abide by the 700,000 tonnage limit for the CTRC.

Councilor Gardner asked Mr. Owings if the legal suit would not be moot if Metro complied with the tonnage limits.

Mr. Owings said thought the injunction would be a moot issue if Metro were in compliance with the limit. Metro could still decide whether to pursue the LUBA decision, he said.

Councilor Hansen asked if there had been any discussion with the haulers regarding imposing voluntary limits. Mr. Owings said there had been a discussion and most of the haulers were trying to comply, although some pointed out it costs three dollars a ton more to use the transfer

station. They feel if they were paying the extra fee, they have a right to use CTRC.

Motion:

Councilor Kirkpatrick moved Metro abide by the Oregon City tonnage limit and that staff work with Oregon City to achieve that solution.

Councilor Gardner and Kelley seconded the motion.

Councilor Hansen said some kind of binding arbitration should be considered.

Councilor Gardner felt a message had been given that Metro had not kept faith with Oregon City by not developing another transfer station. Of the options described, the one that seemed most attractive to him was to try to identify where the waste was coming from and to have the transfer station serve that portion of the region. His understanding was that non-Clackamas County haulers using the transfer station were from Washington County. Washington County should be paying the price for their refusal to accept a transfer station in their county, he said.

Councilor Kelley supported the motion because it would show good faith to Clackamas County.

Councilor Hansen asked if two actions would be taken: a decision to appeal Oregon City's denial of the applications and a decision on which method of limiting tonnage would be used in the meantime.

Councilor Knowles agreed with Councilor Hansen that some kind of binding arbitration might be a solution.

Councilor Gardner reiterated that the motion before the Committee was to recommend to the Council that Metro comply with the conditional use permit in Oregon City.

Vote:

Councilors Kelley, Gardner and Kirkpatrick voted Aye. Councilor Hansen voted Nay. The motion passed.

Motion:

Councilor Kirkpatrick moved that the Solid Waste Committee direct staff to pursue with Metro's Counsel whether arbitration was feasible and make a recommendation to the Committee on September 29, 1987.

Vote:

Councilors Kelley, Kirkpatrick, Gardner and Hansen voted Aye.

The motion was passed unanimously.

Councilor Hansen asked if the Solid Waste Committee would be willing to proceed with the appeal pending legal opinion.

Don Carlson asked Councilor Gardner if he had a list of questions in mind to be answered by legal Counsel which would persuade the Council on whether to appeal the decision to LUBA.

Councilor Gardner said his understanding of the motion was to have Mr. Cooper explore with Oregon City's Counsel just how determined they were to enforce this limit and whether there are any other options in the way of mediation or arbitration.

Mr. Carlson said he assumed the Council would still be confronted with the issue on September 22 of whether or not to appeal, because there would be one more day to file an appeal. He asked Councilors to state questions for Counsel.

Councilor Kirkpatrick said she wanted Counsel to determine whether the case was appropriate for LUBA to be considering.

Councilor Knowles hoped Mr. Cooper could suggest some kind of binding arbitration, which would mean Metro would not pursue the appeal pending the outcome of the binding arbitration.

Councilor Gardner asked that Mr. Cooper report on the strength of Metro's argument and the likelihood of a successful case.

Other Business

Councilor Gardner announced there would be a special Solid Waste Committee meeting on September 29, 1987, specifically to discuss the bid document for out-of-region landfill services.

Councilor Kirkpatrick requested a public report regarding the news release announcing the members of the Technical and Policy Committees for Functional Planning. The announcement did not name citizen members added by Council-adopted resolution.

The meeting was adjourned at 10:00 p.m.

Respectfully submitted,

*Cathy Howatt*  
Cathy Howatt