

MINUTES OF THE COUNCIL WASTE COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

September 20, 1988

Council Chamber

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

Other Councilors Present: Larry Cooper

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

1. Consideration of Minutes of August 18, August 30 and September 6, 1988

Councilor Ragsdale noted page 1 of the minutes of the September 6 meeting contained a typographical error. Under consideration was Resolution No. 88-974, for the Purpose of Authorizing a Public Contract to Collect, Transport, Store, Recycle, Treat and Dispose of Household Hazardous Waste From Two Collection Day Events to be Held by Metro on October 1, 1988, and April 22, 1989. The clerk incorrectly recorded the contract amount as \$2,77,283 instead of \$277,283; the latter figure was the correct contract amount.

Motion: Councilor Kelley moved for approval of the minutes as corrected.

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

2. Councilor Communications

None.

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

Bob Martin, Engineering Manager, said the second draft transportation bid document of September 14, 1988, was mailed to all interested parties. Changes from the first transportation bid document of August 10, 1988, were in bold print in the second bid document. Ray Barker, Council Analyst, distributed "RFB for Waste Transport Services," dated September 20.

Mr. Martin discussed staff's 20-year contract length recommendation. He compared the costs of 10 and 20-year contracts. He said a 10-year contract would cost more than a 20-year contract but would allow for additional competition from truckers.

He discussed local mitigation measures to minimize truck traffic impact through Arlington. The truck route preferred by Arlington was displayed.

Mr. Martin said the bond status was not changed since the last meeting, but said the contract would be signed in 1989 and Metro would want a bond during the mobilization period. The monetary amount of the bond would drop each year after the second year of the contract as the retainage built.

Councilor Ragsdale asked about Article 19, Section C, page V-31 of the September 14 bid document which stated:

If Contractor transports the waste by truck in or through Gilliam County, Metro will be required to fund a portion ODOT mitigation projects, in the amount of \$1,800,000. Metro shall recoup its portion of the above mitigation projects by deducting from the Contractor's portion of monthly lump sum payments the amount of \$15,056, which represents the net present value of Metro's of \$1,800,000 over the Contract term.

Councilor Ragsdale asked if the clause meant to recommend Metro assume payments for road improvements not paid for by the State of Oregon. He asked if there were other sources of revenue which would limit Metro's costs. Mr. Martin said Gilliam County did not feel it was liable for road costs.

Jeff Bachrach, 1727 N.W. Hoyt Street, Portland, said he represented Gilliam County and said hopefully the burden to pay would be ODOT's responsibility. He said Gilliam County would impose a \$7 fee per truck if a truck were overweight and Metro would not be the only party assessed fees. He said there was incentive to keep Metro's payment low and ultimately to refund less to Metro. He said it would be to Gilliam County's advantage to locate other funding sources also.

Chair Hansen said Metro had not yet committed to a mitigation fee payment. Mr. Martin concurred with Councilor Ragsdale it was possible Metro could pay a lower fee. Councilor Kirkpatrick said she was opposed to host fees but did not disagree with mitigation fees. Mr. Martin said he did not know specifically how the enhancement fund would be utilized. Mr. Martin said the language in the second draft bid document which addressed the \$1.8 million payment without the \$7 fee per truck would be clarified.

Mr. Bachrach said Gilliam County did not have adequate resources to handle the issue. He said Gilliam County would impose the \$7 fee to cover highway fees and enable Metro to proceed with the transportation contract. He said Gilliam County anticipated the need

for supplementary funds two years in the future for bike paths and buffer zones.

Councilor Kelley said enhancement and mitigation fees should be spent for other purposes. She agreed with Councilor Ragsdale the payment schedule would spread over an excessive time period.

Chair Hansen asked if members of the public in attendance would like to testify on the issue. No members of the public present testified. Councilor Kirkpatrick noted a letter from Stan Adams, attorney, 2053 East Burnside, Suite 100, Gresham. Mr. Adams represented Gresham Transfer, Inc., and said a 20-year contract would discourage most trucking firms from bidding.

Councilor Ragsdale said the \$1.8 million was an unexpected cost outside of the bid document. He asked if there would be other contract variables. Mr. Martin said the east transfer station (ETS) was not yet sited and staff could only determine a general footprint. He said when ETS was sited, estimated costs would change.

First Motion to Amend: Councilor Ragsdale moved to amend Resolution No. 88-971 to state the contract length would be of a 20-year duration.

Councilor Gardner preferred the 10-year contract length. He said it encouraged flexibility and would receive a larger pool of bidders. He said a 20-year contract length was economical, but Gilliam County preferred the 10-year option. Councilor Kirkpatrick also supported the shorter contract length.

Chair Hansen supported the 20-year contract option because of significant savings in cost. He said bids would be fewer in number, but it was not necessarily a loss because a larger amount of bids would tend to be similar in price. He said it was difficult to predict what transportation would cost in 10 years or if there would be a drastic change in transportation modes. He said the full Council wished the bid document to be fair but there were inherent inequities in different transportation modes and complete equity was difficult.

Vote on First Motion to Amend: Councilors Kelley, Ragsdale and Hansen voted aye. Councilors Gardner and Kirkpatrick voted nay. The motion to amend Resolution No. 88-971 passed.

Councilor Ragsdale asked General Counsel Dan Cooper for engrossed language related to this issue. Chair Hansen asked Mr. Barker to analyze the differences between 10-year and 20-year contracts.

Chair Hansen called a recess at 7:31 p.m. The Committee reconvened at 8:00 p.m.

Chuck Geyer, Analyst, distributed page 20 and page 26 from the first draft bid transportation document.

Mr. Cooper responded to Councilor Ragsdale's inquiry whether there would be legal difficulty if Metro connected the \$7 payment directly to the cost of a road or roads. Mr. Cooper said, to the extent Gilliam County was empowered by law to impose the fee, Metro did not have the ability in the contract to affect Gilliam County's governmental powers to collect a tax and spend it. He said Metro could provide that if costs were increased, the expense would be borne by the contractor and would not be a change Metro would accept to be added onto the contract costs if increased at a later date. He said if Metro was silent on this issue in the bid document, it would be safe to assume that contractors would factor in this cost in their bids to Metro. Metro's problem was one to address directly with Gilliam County rather than deal with in the bid document entirely because Metro would be unable to tell potential vendors anything except that they must factor locally-imposed fees into their bids.

Second Motion to Amend: Councilor Ragsdale moved to amend language in the transportation bid document by including both paragraphs of page 20 of the draft bid transportation document (August 10, 1988) subsection C, into Article 19 C of the final bid transportation document. From page 26 of the first draft of the transportation bid document (August 10, 1988), Councilor Ragsdale moved that the last sentence of Article C, subsection 1, would be incorporated into Article 12 of the final draft transportation bid document as an additional sentence to Article C, subsection 1.

Vote on Second Motion to Amend: Councilors Gardner, Kelley, Kirkpatrick, Ragsdale and Hansen voted aye. The vote was unanimous and the motion to amend language in the transportation bid document passed.

Main Motion: Councilor Ragsdale moved to recommend the full Council adopt Resolution No. 88-971 as amended.

Vote on Main Motion: Councilors Kelley, Ragsdale and Hansen voted aye. Councilors Gardner and Kirkpatrick voted nay. The motion to recommend Resolution No. 88-971 as amended passed.

Councilor Kirkpatrick announced she would file a minority report. Councilors Ragsdale and Kirkpatrick discussed if there would be time to file a minority report two days before the full Council meeting September 22. Councilor Ragsdale said the resolution could be left on the Council agenda and if the minority report was not ready, consideration of the resolution could be postponed to the Council meeting October 13.

Councilor Ragsdale asked Mr. Barker to submit information on a possible intergovernmental agreement between Metro and Gilliam County.

4. 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

A report by ECO Northwest, "Discussion of Issues Pertinent to the Decision Concerning Public or Private Ownership and Operation of the Eastside Transfer and Recycling Center" was distributed by staff in advance of the meeting. Chair Hansen said a joint report on the resolution would be given by Mr. Barker and Mr. Cooper at the October 18 meeting.

Motion: Councilor Ragsdale moved to consider Ordinance No. 88-260 at the October 18 meeting.

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

5. Consideration of Resolution No. 88-976, for the Purpose of Granting/Amending a Franchise for Operation of the Forest Grove Transfer Station

Mr. Rodney Adams, representing the Forest Grove Transfer Station, handed out alternative language to modify staff's recommendation on the review terms of the contract at the end of three years. The alternative language read:

Notwithstanding the five (5) year expiration, the Solid Waste Director is authorized to review the conditions of this ordinance at the end of a three (3) year period and bring it back to the Council for modification if he finds that modification is necessary.

Mr. Adams said modification was necessary for Mr. Ambrose Calcano, Jr., to obtain bank financing. He said the contract end should be changed to read 1993 instead of 1991. Councilor Kirkpatrick said she had amendment language also.

Motion to Amend: Councilor Kirkpatrick moved to incorporate Mr. Adams' recommended language and amend Exhibit 1 of staff's report to read, "Notwithstanding the five-year expiration, the Solid Waste Director shall reveal the conditions of this franchise at the end of a three-year period and report to the Council those findings, including recommended modifications, if appropriate."

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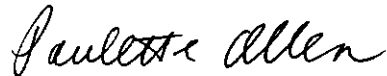
Vote on Motion to Amend: Councilors Gardner, Kelley, Kirkpatrick, Ragsdale and Hansen voted aye and the motion to amend passed unanimously.

Main Motion: Councilor Kirkpatrick moved to recommend the full Council adopt Resolution No. 88-976 as amended.

Vote on Main Motion: Councilors Gardner, Kelley, Kirkpatrick, Ragsdale and Hansen voted aye. The vote was unanimous and Resolution No. 88-976 as amended was recommended for adoption by the full Council.

Chair Hansen adjourned the meeting at 8:56 p.m.

Respectfully submitted,



Paulette Allen, Clerk
SWC88.264