

APPROVED  
Date 12-15-92

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

November 17, 1992

Council Chamber

Committee Members Present: Judy Wyers (Chair), Ruth McFarland (Vice Chair), Roger Buchanan, Sandi Hansen, George Van Bergen

Chair Wyers called the regular meeting to order at 5:34 p.m.

1. Consideration of Solid Waste Committee Meeting Minutes of July 7, 1992

Motion: Councilor Van Bergen moved to approve the Solid Waste Committee meeting minutes of July 7, 1992 as submitted.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

2. Ordinance No. 92-471A, For the Purpose of Amending the Metro Code to Establish Criteria to Consider in Designating Disposal Facilities, and Declaring an Emergency

Chair Wyers opened a public hearing.

Jerry Yudelson, representing Regional Disposal Company, testified before the Committee, and said commercial users, industrial users and special waste generators were considered sophisticated buyers, and felt a different set of criteria should be applicable. He advocated for a system of managed competition for industry which was believed would result in cost containment of waste disposal costs. He felt Metro's role was to oversee quality and liability issues, not create monopolies, and he advocated for freedom of choice. He said jobs in the Metro service area were a factor, and said high user fees and lack of choices for disposal were leading regional disposal customers to reconsider their commitment to continuing operations in the tri-county area. He said the \$19 per ton user fee compared to Regional Disposal's \$20 per ton tip fee amounted to a 95% tax on waste disposal for commercial users. He was not aware of another area in the country which taxed commercial/industrial services in like manner.

Mr. Yudelson felt Metro should consider adverse impact on Metro revenues of continued diversions, industrial relocations and possible legislative action to alter Metro's authority in the area should Metro disallow free and fair competition among responsible waste disposal sites. He indicated letters from various customers had been entered in the record including Schnitzer Steel.<sup>1</sup> He said customers desired a choice surrounding cost, convenience and environmental security. He said his company did not believe Metro should interfere with industry's access to a wide variety of waste disposal options.

Mr. Yudelson said Regional Disposal Company was asking for a business license to collect Metro user fees, remit those fees to Metro with appropriate safeguards assuring Metro would receive the fees, and to assist in tracking waste streams thus serving industry in the region. He noted his company had made application six months previously in May, 1992, and said the company felt due process well served, noted this meeting constituted the third public hearing on the matter.

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<sup>1</sup> One letter from Schnitzer Steel only dated October 1, 1992 received by FAX on October 5, 1992 by Chair Judy Wyers was filed in Council Office. This document has been made part of the permanent meeting record.

(Continued)

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 2

Mr. Yudelson noted Gillham County believed Oregon waste should stay in Oregon, but he said Gillham County failed to mention they were currently receiving waste from Seattle resulting in user fee revenues. He noted waste from Clark County was transported to Boardman, and he noted Regional Disposal had received Portland sludge in the past. He felt these facilities should be regarded as regional facilities.

Mr. Yudelson noted Gillham County revenues were raised, and he said at this time no special waste went to Gillham County and no revenues would be lost whether or not Metro adopted the proposed ordinance. He referenced prior flow out of the region to Roosevelt Landfill as an issue raised by the Committee Chair, and said Metro has a positive obligation to communicate the rules and the fees with a regulated community.

Mr. Yudelson commented on his effort to determine Metro rules and regulations and on his discussions with other companies in the environmental and clean up community such as CH2M Hill and Emcon. He said he found disagreement among these firms regarding an obligation to pay Metro user fee for the disposal of petroleum-contaminated soils (PCS). Mr. Yudelson felt communication of Metro rules, regulations and fees to the regulated community, and felt improvements could be made. He said Regional Disposal had retained national accounts with major oil companies for petroleum clean-ups throughout the Northwest, and he said to that degree material was taken out of the region. He said Regional Disposal had submitted a check for appropriate user fees in payment for the months of April through August to Metro. He believed the remuneration had been received by Roosevelt Carter, Solid Waste Budget and Finance Manager, as well as Bob Martin, Director of Solid Waste Department. He said Regional Disposal was making an effort to be a good corporate citizen and was in the process of ramping down those contracts.

Mr. Yudelson indicated the issue of need has been raised, and said landfill capacity in the three regional landfills was adequate to serve the two states of Washington and Oregon for the next twenty years for which he credited public policy, and said was beneficial toward reduction in prices.

He said he felt Councilors should be encouraging users to avail themselves of potential low rates. He noted as part of a previous Metro ordinance adopted in September, 1992, the company agreed not to take recyclable materials that had not previously been received at a Metro transfer station, which he noted addressed the construction and demolition debris issue.

Mr. Yudelson commented regarding Oregon Waste System's (OWS) investment at Columbia Ridge which he observed was based on municipal general purpose solid waste from the region, not special waste. He did not understand the concern voiced by OWS, which he noted was an \$8 billion company, to be protected from competition from a family owned landfill.

Mr. Yudelson commented regarding Hillsboro Landfill's concern over the possibility of closing down, and said regarding net of fees paid to Metro that Hillsboro's tip fee had increased from \$11 per ton to 39.50 ton. He felt Hillsboro held a defacto monopoly on solid waste due to others not in system. He noted profits would enable Hillsboro landfill to upgrade to new EPA standards and handle competition. Mr. Yudelson commented regarding Regional Disposal's \$20 ton tip fee, and said cost to Regional Disposal was about \$16 per ton plus about \$1.65 in taxes to get material out to the landfill making their fee about \$37.65. He felt at \$34.50 competition in the marketplace was feasible.

Mr. Yudelson felt if Hillsboro Landfill's profits were declining it was a result of actions by the Metro Council and the Solid Waste Committee to subsidize Oregon Hydrocarbon at \$19 per ton, which he said drove most of the PCS business to Oregon Hydrocarbon. He observed Hillsboro Landfill may have experienced \$400 to \$500 thousand in lost revenue during the year.

Mr. Yudelson felt Regional Disposal had the most secure landfill of the three regional landfills from environmental quality point of view with a zero discharge. He said as sensible public policy special waste such as PCS, asbestos and industrial sludges should be placed in environmentally secure landfills east of the Cascades. He felt attempts would occur to complicate proceedings, but, he said, Regional Disposal did not want special privileges. He said his company wanted an

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 3

opportunity to compete for a license in the future to collect and remit the Metro user fee with appropriate safeguards should the proposed ordinance be adopted, and urged the Committee proceed to a vote on the matter.

Councilor McFarland commented regarding changes in outlook from a time when garbage was not a desired commodity by one location or another, to the present time when garbage was sought after.

Councilor Buchanan expressed concern regarding the need for garbage police due to possible irregularities. Mr. Yudelson said his company was interested in self-policing. Councilor Buchanan felt slippage from the waste stream was likely to increase and said he was interested in costs and resources. Mr. Yudelson suggested the contracts contain provision for company funded audits of books.

Chair Wyers asked if Mr. Yudelson had reviewed Ordinance No. 92-471B and noted the changes in language in the new version. Chair Wyers indicated the changes added included that Council would approve the agreement before it was finalized, and, secondly, the type of waste would be described and specified, and thirdly, a discussion of need in connection with the criteria and effect on existing facilities would be presented in the staff report.

Mr. Yudelson said his company felt approval of the agreement as well as the describing and specifying the type of waste would be expected. He said regarding the issue of need that an over supply existed in the region, and it would be possible to conclude no need existed. He felt it was important to give industrial generators options. He said need would appropriately apply to facilities that had been funded by Metro, and felt other facilities such as Regional Disposal, extra capacity at Columbia Ridge and Finley Buttes should be given the opportunity to compete. He said he believed the issue was to keep costs down for industry, not, he said, to make determination whether or not additional disposal capacity was necessary. He believed Metro's role and interests would revolve around not incurring liability with existing contracts and prevention of future environmental clean ups. He advocated for a system of managed competition with a quality standard and a minimum liability standard.

Chair Wyers felt the Committee was interested in discussion regarding the need for competition as well as impact on user fees revenues versus increase potential costs of monitoring if applicable. She asked Mr. Yudelson how would his company monitor the waste stream to his company's facility.

Mr. Yudelson said these were special wastes not general purpose garbage, and said every load dumped was watched. He said as a condition of acceptance of the waste were a chemical analysis indicating origin, third party analysis of type of waste, and what process generated the waste. He said his company was under a stricter standard in Washington. He said Metro's concern was met by the screening procedure, and said a special code in the accounting system was designated to loads from the Metro region. Mr. Yudelson said the system included marking containers and weighing containers. Chair Wyers clarified the point of origin was defined to determine if the load was from the Metro region or elsewhere.

Mr. Yudelson said his company was concerned about self-protection and was responsible, and said it was in their interest to be compliant so as not to hurt business.

Chair Wyers requested complete records regarding materials from the Metro region received by Regional Disposal plus records of remuneration to Metro for the materials be made available to the Committee. She understood Regional Disposal had not been aware of Metro regulations.

Mr. Yudelson said his company was happy to comply, and said agreements had been signed with petroleum companies in good faith without knowing Metro rules and regulations. He said Regional Disposal came forward and paid for a recent four month period, and said the books were open to scrutiny.

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 4

Chair Wyers made the request of Metro staff as well since coordination between Regional Disposal and Metro was in process.

Chair Wyers said she understood amounts of existing waste could be greater than currently realized. She noted the question existed of whether or not it was being handled in a responsible manner by sending it to the two existing designated facilities. She asked Mr. Yudelson if he had an idea of how much waste that could be.

Mr. Yudelson said a portion could be PCS, and observed Metro and DEQ could discuss the question of air quality in the region and the impact of on-site aeration noting off-site aeration had been banned. He mentioned construction demolition due to the business cycle and industrial sludges due to new rules from DEQ and the EPA would place companies in the position of disposal in regional landfill rather than on site disposal. He said numbers and amounts would increase and/or decrease based on policies and procedures adopted in an area.

Jay Waldron, Finley Buttes Landfill, said industrial generators were concerned with cost, and said additional facilities would be beneficial. He said he supported the ordinance before the Committee with the exception of the reference to need. He said Metro rules had been embodied by staff in agreements for designated transfer stations and Oregon Waste Systems in Hillsboro. He felt Metro's role was to define standards of quality, assuring landfills were qualified to accept the special waste under discussion, but not other rigid inflexible standards. He said the availability of competition for industrial generators would bring about increased revenues due to increases in waste. He felt facilities would be placed in a position requiring them to regulate themselves and costs would be kept down giving Metro the freedom to be about the business of more regulatory jobs. He did not believe delay served a purpose, and said two landfills represented were constructed at their own expense. He said Oregon Waste Systems helped solved regional waste problems, and said competition with Hillsboro and Oregon Waste Systems would generate more fees, lower costs, assure quality, and would be self-regulated. Mr. Waldron, said monopoly in municipal waste solved problems originally, but, he said, competition was now necessary. Mr. Waldron commented regarding hazardous waste, and noted all waste had a manifest of source, composition, and so forth, and said not one drop of special waste would come to Finley Buttes or another facility improperly because of self-regulating safeguards built in to the system.

In response to Councilor McFarland, Mr. Waldron said Finley Butte was in Morrow County near Boardman, and he said it was a family owned business, the first landfill conceptualized for location east of the Cascade mountains, although, he noted Oregon Waste Systems was ahead in constructing and building their facility. He said his company had a contract with Clark County for mixed municipal waste, said they could take waste by barge, truck or rail, and said Finley Butte was a state of the art facility among solid waste and special waste facilities.

Chair Wyers noted Regional Disposal had testified a willingness to pay for costs of independent auditor, and asked Mr. Waldron for an opinion. She noted Solid Waste staff had indicated such funding was not likely to appear in the FY 1993-94 Metro budget. Mr. Waldron said, although he could not commit, he felt the only issue would be how much, but felt it was a good idea.

Peter Cramer, Vice President, Schnitzer Steel Products, and General Manager of Schnitzer Scrap Metal and Recycling and International Terminal facilities in Oregon testified before the Committee noting Schnitzer Steel was a family owned business, and said Schnitzer was likely Oregon's oldest largest recycler. He urged support of adoption of original ordinance as drafted by staff, and said he agreed with earlier testimony that a new criteria of need and impact on existing designated facilities would not be appropriate.

Mr. Cramer commented on Superfund, PRP's, and felt Metro's actions to limit where the private sector could dispose of industrial wastes placed Metro in the legal role of being an arranger of such waste, and referenced a recent court case commonly referred to as the "B.F. Goodrich Case."

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 5

Mr. Cramer believed two issues should be considered by Metro Council before adopting a strategy to limit industry's options for disposal.

He said by definition Metro's actions to limit options had the effect of restraint of trade. He said his company was a local business involved in a competitive market which included the West Coast, national and global markets. He said restrictions on the commercial marketplace to the detriment of doing business would be a restraint of trade. He said Metro's authority should not be used to preclude landfill competition by preventing additional facilities from coming into the system as long as such facilities were environmentally sound and abided by Metro's rules concerning fees and recycling goals.

Mr. Cramer said the second issue Metro should consider was cost, and said competition would provide the assurance that cost of actual disposal combined with Metro fees would not put Metro area businesses at a competitive disadvantage to industries located outside of the Metro boundaries. He noted the \$19 per ton fee had no comparison across the country, and noted it was equal to and in some locations greater than total cost of disposal.

Mr. Cramer said Schnitzer Steel currently operated at a competitive disadvantage to other companies, and said Metro's action to expand the eligible landfills list would offer needed potential for cost competition between landfills. He said such action by Metro would recognize the potential for, as well as encourage the means of, continued technology improvements and environmental soundness. He said options would mean private industry could measure how well competing landfills address environmental protection in future PRP liabilities.

Mr. Cramer said Schnitzer Steel was a large generator of the community's industrial waste from the shredding old cars, refrigerators, other appliances, bicycles, road guard rails, etc. He described the stripping of cars with magnets and gravity to separate a variety of materials for recovery with the exception of dirt, glass, rubber, insulation, and other composites making up a shredder residue. These, he noted, are used as sub cover at landfills thus reducing the amount of clean soils necessary. He said by limiting number of landfills available a bargaining chip was removed from the equation. He noted research and development expenditures by Schnitzer Steel to discover new and better ways to dispose, recycle and reclaim shredder residue.

Mr. Cramer urged Metro to adopt Ordinance No. 92-471B in order to open up the system rather than close or monopolize it.

Mr. Cramer noted his comments were offered in behalf of Schnitzer Steel Products, the Oregon Metals Industry Council, who, he noted included in their ranks member firms such as Oregon Steel Mills and Precision Cast Parts. He emphasized the industry's desire to retain the right to choose in order to remain competitive in the marketplace.

Councilor McFarland commented the testimony appeared threatening, and said the Committee and the Solid Waste Director recognized Metro's responsibility to deliver waste materials to an adequate site that would not contaminate the environment. Councilor McFarland commented the testimony before the Committee reminded her of the cry from hospitals for what she termed "gigantic machines" and the subsequent rise in the cost of health care. She cautioned the solid waste industry regarding methodologies that could be detrimental to the users. Councilor McFarland commented on tonnage decreases and that justification of the need for facilities was corresponded to the need for a place to dispose of waste tonnage. She noted costs increased with tonnage declines, and she pointed out a recent Metro decision not to build a transfer station due to the lack of need at the time. Councilor McFarland indicated she felt comfortable with involvement and inclusion of solid waste industry enterprise from the Washington side of the river.

Mr. Cramer explained his remarks concerning Superfund court rulings were not intended to be threatening but to provide awareness of pitfalls. He suggested it was possible should Metro act to preclude and eliminate further going forward that a worsening of Metro's position could be the result. Mr. Cramer commented Schnitzer Steel built its "gigantic machine" long before others in the competitive marketplace built theirs, and said Schnitzer Steel employed a number of people and provided a valuable service to the community by shredding autos, appliances and other materials which would otherwise be solid waste

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 6

with which to deal. Councilor McFarland clarified she was referring to the building of the various services to take garbage. Mr. Cramer emphasized the competitiveness of the marketplace and the need to meet the price by controlling costs. He pointed out the largest line item in his company's operating budget below labor was waste disposal. He said a \$1 per ton savings on waste disposal each month was beneficial, and said negotiating price was not possible when only one entity existed with which to negotiate. He said the shredding business was competitive as there were a number of shredders within and without the region.

Councilor Van Bergen noted concern regarding the terminology "arranger of waste" as used in connection with the B.F. Goodrich case and considered it might be legally construed as approximate cause. He conjectured creation fees or generator fees could follow, and requested Mr. Sadlo research the B.F. Goodrich case and determine whether or not Metro could be considered to be "arrangers of waste."

Mr. Cramer said downstream liability was an important factor, and if Metro determined where waste was to go, the private sector lost the ability to negotiate pricing as well as the ability to evaluate the environmental responsibility of a particular site. He said the private sector had the need to be able to demonstrate actions in accordance with the law, and said the due diligence in choosing a final resting place was critical to self-protection in downstream liability.

In response to Chair Wyers, Mr. Cramer agreed two facilities existed at present, both Arlington and Hillsboro, but said competition developed when three, four or five facilities existed.

Chair Wyers closed the public hearing.

Bob Martin, Director of Solid Waste Department, said he had reviewed Ordinance No. 92-471B and noted consideration of need for an additional facility was appropriate. He said the need for additional capacity in the system was a factor, and said impact of revenue and recycling, operational practices and environmental matters must be considered also. He said the director used the Committee's guidance as to the factors the Committee would wish to have considered in each case. He said, in response to Mr. Yudelson's testimony, access to records was beneficial. He said he planned to put into the budget proposal the capability to audit each facility each year potentially with Finance and Management Information Department staff. Mr. Martin felt it was financially responsible to have an audit program since user fees were higher than they were in previous years. He commented it was essential that Metro maintain its contractual obligations to Waste Management in consideration of designated facilities, which would be done on a case by case basis. He said facility options were currently available and there was no monopoly. Mr. Martin said designated facility agreements originally drafted would not conflict with that contract. He felt the proposed ordinance with changes appeared to be improved.

Councilor Buchanan inquired whether Metro was setting up a system which would expand the need for policing. Mr. Martin said he did not believe Ordinance No. 92-471B would create additional need for enforcement, and said an incentive existed for people to avoid paying Metro fees, and believed audits were important. Mr. Martin believed increased revenue would be realized as a result, and noted an enforcement strategy would need to be developed over time.

Councilor Hansen asked what the language "specify" meant in the B version. Councilor Wyers responded it meant "name" or "describe". Mr. Martin said it was necessary to specify the type of material allowed to be delivered to other facilities so that it was clear no conflict existed in Metro's current contractual arrangements.

In response to Councilor McFarland, Mr. Sadlo said there was not agreement between the Office of General Counsel and the attorney for Oregon Waste Systems regarding the meaning of the contract, but said he believed Metro could proceed at this time.

Councilor McFarland asked Mr. Martin concerning flow projections. Mr. Martin said he could only confidently project five years. He said he believed packaging requirements would change as well as behavior. He said increase in population and

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 7

increase in recycling balanced out currently, and said he believed such a trend was likely to continue. Mr. Martin noted Metro's contract with Waste Management was for 16.923 million tons or for twenty years, whichever came first. He said he believed twenty years would come first, and that Metro would be able to extend that contract another five years at that point assuming a favorable rate.

Councilor Wyers asked if the B version required new agreements be made with Lakeside, Hillsboro and Oregon Waste Systems as designated facilities and other transfer, processors and franchised facilities as needed. Mr. Sadlo said no new agreements were required by the proposed ordinance. Mr. Martin said the proposed ordinance would have no impact on Oregon Waste Systems, and said it did not designate additional facilities or change the flow in any way. He said the proposed ordinance set forth factors to consider in judging future applications to become designated facilities, and said it did not impact existing designated facilities.

Councilor Wyers said a facility was offering to do their own audit should be supported to do so, said she felt it would be a benefit to ratepayers, and suggested other facilities follow suit.

Councilor Van Bergen said he did not support policing actions at this time, and said he would however vote for such action should it be ascertained operators were behaving in a dishonest manner.

Councilor Van Bergen served notice he would be observing the proceedings closely, and said he was concerned about language in the ordinance that read "and the effect on existing facilities." He indicated he would support the ordinance at this time; however, he said, should such "need" criteria become a restriction to competition, he would introduce an amendment to have the language removed.

He explained he was concerned about the possibility of price fixing. He recalled price fixing in beer prices for which legislation was passed stating prices had to be posted and held for six months. He felt a reverse price fixing arrangement was created, and said it was not right.

Motion: Councilor Van Bergen moved to recommend Ordinance No. 92-471B to the full Council for adoption.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

### 3. Resolution No. 92-1713, For the Purpose of Approving a Contract Increase to Sunflower Recycling/Pacific Bottle Regeneration to Complete the Wine Bottle Washing Project Funded as Part of 1991-92 1% For Recycling Program

Judith Mandt, Administrative Manager, presented the staff report and introduced Del Sitzinger, member of the 1% for Recycling Committee, John Garafolo and Zander Patterson, Sunflower Recycling and Richard Pixner, Sauga Vinyards and a consultant to Sunflower on this project and designer of the marketing program for the reuse of the washed bottles. Mr. Sitzinger said the Sunflower project had been granted \$77,000 last year. He outlined problems which had occurred, and described the efforts of the Committee in scrutinizing the request for additional funding. He said the Committee was satisfied with the project as a good proposal and has recommended the Council approve the request for the additional \$36,490.

Acting Chair McFarland noted funds would not be new money, and indicated the funds were available due to projects which did not reach completion as outlined in the staff report found in the agenda packet. In response to Councilor McFarland, Ms. Mandt said the project was expected to be self supporting by the end of the fiscal year or within a six month period.

Councilor Hansen asked whether the original proposal called for contributions from restaurants or vendors. Ms. Mandt said the contribution from restaurants consisted of the methodology in which the bottles were now handled which in turn produced

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 8

a cost savings in disposal. Councilor Hansen felt as a former member that carry over funding should be kept for future applications.

Ms. Mandt said the Committee had addressed concerns raised by Councilor Hansen, and said she had been discouraging to Sunflower when initially approached. Ms. Mandt said in this case Sunflower required the funds to finish the current project.

Councilor Hansen recommended to the Solid Waste Committee and to the 1% for Recycling Committee that language be drafted to refine guidelines.

Councilor Buchanan said he supported the additional funding to Sunflower.

Motion: Councilor McFarland moved to recommend Resolution No. 92-1713 to the full Council for adoption.

Vote: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Mr. Sitzinger assured the Committee future proposals coming to the Committee would undergo even greater scrutiny. He felt the possibility existed that the two projects that did fail would not have been funded to begin with and that Sunflower might have received the funding required at the outset to complete the project.

### 4. Update of Status of Negotiations Concerning the Eastern Washington County Transfer Station

Mr. Martin presented the staff report which he said was to brief the Committee on the status of the procurement process concerning the Eastern Washington County Transfer Station, or the Wilsonville Transfer Station. He said the briefing was to be informational as to what the facility, cost and agreements were beginning to look like. He referenced a memorandum from Donald E. Carlson, Council Administrator, and John Houser, Council Analyst, dated November 9, 1992 which he said the Department regarding issues and questions related to the matter. This document has been made part of the permanent meeting record. He said some questions would be addressed in this briefing, but he said the Department intended to draft a comprehensive report responding to the memorandum to bring to the Committee for review by the December 1, 1992. He said the point of reimbursable design costs had been reached exposing Metro to incurred costs of up to \$100,000 whether the facility was built or not.

Chuck Geyer, Senior Solid Waste Planner and project manager for the procurement, and gave a history of events thus far. He said one franchise application had been received from Willamette Resources, Inc. (WRI) in July, 1992. He said for 45 days an evaluation committee evaluated the application after which the committee recommended proceeding to the negotiating phase of the project with concurrence from the Executive Officer. He said negotiations had begun in September, 1992. He said as specified in the Request for Franchise Applications a joint design agreement was entered into by Metro and WRI. He said reimbursement of consultant costs to WRI were part of the agreement should negotiations be unsuccessful. Mr. Geyer described two design phases of the agreement with each phase including a "not to exceed amount" and specified work products. He said Phase 1 had a cap of \$19,140 and results in an agreed upon conceptual design and initial cost estimate for the project, said Phase 1 was nearly completed noting James Watkins, Solid Waste Engineering & Analysis Manager, would update the Committee on progress for Phase 1. He said Phase 2 had a cap of \$99,620 which he said would result in the detailed design and detailed cost estimate to be incorporated in the franchise agreement and would be brought forward to the Committee and the Council for approval.

Jim Watkins, Engineering and Analysis Manager, said in the September 15 Solid Waste Committee meeting it was noted facility costs appeared high. He said various options to reduce costs such as reducing material recovery capability of the



## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 9

facility as well as the size of the facility would be reviewed. He said meetings with designer resulted in two alternatives for Committee review and comment.

Mr. Watkins demonstrated flow of trucks and waste in an artist's rendition of facility. He went on to present a series of drawings which showed a footprint of building with the tipping areas and picking lines as well as a base case of overall site as originally proposed.

Mr. Watkins proposed an alternate design which still had material recovery capabilities, and said the size of the building had been reduced by 25,000 square feet with one of the material recovery lines removed. He noted material recovery in the first alternate design of about 5% rather than the original 7% to 10% possible capability. He said some expansion would be feasible with the changes. He displayed a second alternate design which would amount to a total reduction of 35,000 square feet from original proposal. Mr. Watkins said the result would be a basic transfer station with material recovery capabilities similar to Metro South.

Mr. Watkins said the first alternate was preferred with some material recovery. He said without the material recovery capability of the first alternate it would be likely Metro would have to go back to the Wilsonville Planning Commission.

Mr. Watkins said the base case end costs were approximately \$16.48 per ton which he noted were higher when compared with Metro South and Metro Central. He said for this reason it was decided to attempt to cut costs. He said the first alternate would reduce that to \$12.82 ton in 1994, a reduction of \$4 per ton.

Mr. Watkins discussed the rate impact on actual system rate of Operation and Management costs, debt service, Metro costs such as scale house operation and Household Hazardous Waste, and increase transportation costs with regard to Jack Gray Transport. He showed chart of figures for alternate #1 and alternate #2.

Chair Wyers requested Mr. Watkins provide the Committee with a hard copy of the chart.

Mr. Martin presented a chart showing impact of facility on rates. Chair Wyers request Mr. Martin provide the Committee with a hard copy of the chart. Mr. Martin noted the figures were subject to change.

In response to Chair Wyers, Mr. Watkins said appliance stripping would be a reduced activity for a time.

Mr. Martin said rates would increase without a facility or with the addition of a facility.

In response to Chair Wyers, Mr. Martin said the Department's agenda presentation was developed prior to receipt of a memorandum from Council Analyst, and reiterated the Department planned a written response by December 1, 1992. Mr. Martin said Phase 2 costs could be delayed in accordance with the Chair's recommendation until after the December 1 Solid Waste Committee meeting review.

In response to Chair Wyers, Mr. Watkins said Council approval of the facility was tentatively scheduled for the end of December, but noted that goal was likely to be postponed.

Chair Wyers asked whether the Rate Review Committee have purview of this matter and asked when they would meet again. Mr. Houser said he did not believe the Rate Review Committee under their governing ordinance would have a role in approving aspects of the facility design and build. He thought they would meet in late November or early in December, and said it would be appropriate to have the matter come before the committee as an agenda item with a similar presentation from the Department.

Mr. Martin said the Solid Waste Department would review the Five Year Plans with the Rate Review Committee as well.

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 10

Councilor Hansen asked if the Committee would see or hear options should a decision be made that facility not be built. Mr. Houser noted his memorandum had raised the question with several approaches.

Mr. Martin indicated responses to Mr. Houser's memorandum would comprehensively cover Councilor Hansen's questions.

In response to Councilor Van Bergen, Mr. Martin said rate impact was developed according to impact on entire region. Councilor Van Bergen asked about material recovery rates. Mr. Martin said the rate of recovery was approximately 8% at Metro Central and approximately 1% Metro South. Mr. Martin agreed the originally forecast was approximately 25% to 28%.

Mr. Houser said he attempted to frame questions in his memorandum to Mr. Martin so as to give the Committee the necessary information for a legislative choice whether to build or not build based on the data presented. Councilor Van Bergen commented the information he received at the Committee level was not available to the full Council.

Councilor Hansen indicated copies of material requested be distributed to all Councilors. She also suggested all Councilors be invited and informed regarding future meetings.

Councilor Hansen suggested a special invitation to the December 1, 1992 Solid Waste Committee meeting be done with a call through invitation to Councilors and Councilors-elect.

Mr. Martin emphasized the preliminary impact of a \$4 per ton did not mean rate would go up \$4 per ton the first year. Chair Wyers asked for a detailed explanation regarding the rate impacts at the December 1, 1992 meeting.

In response to Councilor Van Bergen, Mr. Watkins said Metro would issue a bond for the \$10 million which would assist the operator with financing. Mr. Martin noted fund balances would be used in each year to level the rate, and noted the chart was intended to show percentage of increase with and without the facility.

Chair Wyers continued consideration of the item to the December 1, 1992 Solid Waste Committee meeting.

### 5. Ordinance No. 92-473, For the Purpose of Amending Metro Code Sections 5.02.015 and 5.02.065, Relating to Disposal Charges at Metro Facilities, and Declaring an Emergency

Sam Chandler, Solid Waste Facilities Manager, presented the staff report, and said a revised draft of the proposed ordinance should have been included in the agenda packet, and said the document in the agenda packet did not include the correct language. He said an amendment would be necessary, and noted in Section 5.02.065, Special Waste Surcharge, Section A after the word "waste" language be added "with the exception of CFC tanks and refrigeration units as defined in Metro Code." He said the language would clarify Metro was not attempting to make a profit on refrigerators, but only trying to recover costs.

Mr. Chandler said the number of refrigerators the Department estimated would be processed over the next year would accrue approximately \$73,000 per year in cost savings.

In response to Councilor Hansen, Mr. Chandler said Schnitzer Steel accepted refrigerators once the compressor units had been removed. He described the process and said two recyclable items were retrieved from each unit.

Mr. Houser said the table on the last page of the staff report included additional information such as the number of appliances received might decline as other organizations might follow suit and begin to charge a fee and receive these items thus reducing the number to be received at the transfer station. He said that did not seem to be the case any longer.

## COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 11

Mr. Houser said the figure included a reimbursement for the initial cost of the equipment and the development of an equipment replacement fund. He said he requested Mr. Chandler give an opportunity next year to review an entire year to see if the matter would be cost neutral.

Motion as Amended: Councilor McFarland moved to recommend Ordinance No. 92-473A to the full Council for adoption.

Chair Wyers opened a public hearing. No citizens appeared to testify. Chair Wyers closed the public hearing.

Vote on Motion as Amended: Councilors Buchanan, Hansen, Van Bergen, McFarland and Wyers voted aye.

The vote was unanimous and the motion passed.

Councilor Van Bergen said he was concerned regarding free Household Hazardous Waste (HHW) services.

Chair Wyers commented she had been misinformed that HHW charges were against the law, and asked Mr. Chandler to report to the Committee regarding the matter. Councilor Hansen recommended the lists of commodities which the consumer could purchase to replace commonly used HHW should be made available at the facility to demonstrate to HHW customers what they could have used instead and not paid a fee to dispose of.

### 6. Request for Proposals for Demonstration Project Using Yard Debris Compost for Erosion Control

Leigh Zimmerman, Market Development Manager, presented the staff report and introduced Lauren Ettlin, Associate Solid Waste Planner. Ms. Zimmerman said Ms. Ettlin would be managing the home compost demonstration project and other compost related work.

Ms. Zimmerman said the purpose of the RFP was to diversify the market for yard debris compost. She said the goal was for the material to meet the criteria of Erosion Control Plan and Technical Guidance Handbook. She said it could replace items such as plastic fencing, plastic sheeting and other items which end up in the landfill. She said a final report would be prepared following approximately a six month demonstration study.

Mr. Martin commented the U.S. Forest Service had contacted him regarding obtaining information regarding the availability of this type of material to solve erosion problems throughout the Northwest. He said he felt the study results could be important creating a potential market.

Ms. Zimmerman said in the parameters of the study different thicknesses, different materials, different grinds, different slopes and different soil types as well as comparisons to other methods would be tested.

Councilor Van Bergen requested two letters from Clackamas County regarding McFarland's and Scott, and for a report from Mr. Houser regarding the disposition of the Scott situation.

Ms. Zimmerman indicated she had information regarding Scott's which she could present. The Committee agreed they would appreciate the information at a later date.

### 7. Solid Waste Updates

#### **o Waste Reduction Program Activities**

COUNCIL SOLID WASTE COMMITTEE

November 17, 1992

Page 12

Debbie Gorham, Waste Reduction Manager, presented the staff report, and said on November 4, 1992, Clackamas County sent notice to Mr. Stan Keezar, Environmental Plastics, asking him to move within 60 days due to zoning problems. She said he was located in a 10,000 square foot warehouse on 1 1/2 acres which was zoned to used as a warehouse and parking lot, and was being used to store, wash and process plastics with the possibility of manufacture of plastic lumber in the future. She said the decision had been made by the Clackamas County Zoning Director.

Ms. Gorham said the 2-4-6 program Thriftway Stores used Environmental Plastics as an endplace for the plastics received in their program. She said Thriftway Stores was seeking another endplace currently. She said Mr. Keezar estimated his moving costs could be as much as \$200,00, and said over a million pounds would need to be moved. Mr. Martin noted it was possible Metro would end up with disposal of the material, and pointed out the situation occurs at the same time the American Plastics

Council has instituted a national advertising campaign regarding the recyclability of plastics.

Councilor Van Bergen asked where the facility was located. Ms. Gorham said it was near Costco, McFarland's and Scott's near Hiway 205.

In response to Chair Wyers, Ms. Gorham said the item was presented as an informational item.

Ms. Gorham said she was meeting with various state and local agencies and had submitted testimony to DEQ with suggested steps urging manufacturers responsible for plastic packaging to establish sustainable infrastructure to get it out of the waste stream. Ms. Gorham said the plastics industry felt it was too early for them, but noted funding was going toward public relations currently.

Councilor Van Bergen noted the facility was within his district, and questioned the short time of the notice.

Ms. Gorham said it was her understanding Environmental Plastics had been asked to mitigate the problem and had received the message they could not function with current zoning. She said Mr. Keezar indicated he would not attempt to mitigate the eyesore as it was a zoning problem. He said he could not mitigate it, would have to leave and decided to look for a new home.

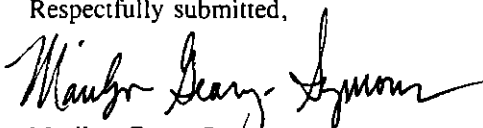
Councilor Van Bergen indicated he was disturbed at Clackamas County and disturbed at Mr. Keezar for not taking any action.

The Committee discussed formulating legislation in Spring 1993 to deal with plastic packaging and the plastics industry.

Chair Wyers noted a meeting would be held at 10 a.m. Saturday, November 21, 1992 She said she received a call from Mr. James Mayer from the Oregonian, and noted she urged him to talk to Councilors-elect and other Councilors running for Presiding Officer.

There being no further business, the meeting adjourned at 8:50 p.m.

Respectfully submitted,



Marilyn Geary-Symons  
Committee Clerk