

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

November 20, 1990

Council Chamber

Committee Members Present: Tom DeJardin (Chair), Judy Wyers (Vice Chair), Tanya Collier and David Saucy

Committee Members Absent: Roger Buchanan

Other Councilors Present: Richard Devlin, Jim Gardner, Gary Hansen and George Van Bergen

Chair DeJardin called the regular meeting to order at 5:38 p.m.

1. Consideration of October 30, 1990 Minutes

Motion: Councilor Saucy moved for approval of the minutes.

Vote: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the minutes were approved.

2. Resolution No. 90-1358, For the Purpose of Establishing Procurement Guidelines and a Process for Procurement of the Washington County Solid Waste System and Recognizing and Giving Priority to the Washington County Local Government Solution

Councilor Collier distributed Resolution No. 90-1358A, For the Purpose of Recognizing and Giving Priority to the Washington County Local Government Solution and Establishing a Process to Complete the Plan as a Basis for Facility Procurement.

Richard Carson, Director of Planning & Development, said Resolution No. 90-1358 would recognize and give priority to the Washington County local government solution consistent with the Regional Solid Waste Management Plan (RSWMP). He said approval of the resolution did not mean the Solid Waste Committee (SWC) abandoned solid waste planning or operational authority to Washington County, but acknowledged that Metro asserted its authority by assisting Washington County and its cities in a constructive dialogue about the type of facilities to be built within the county. He said the resolution established initial procurement guidelines and a procurement schedule, but did not reduce the Metro Council's role in determining final procurement criteria. He said the SWC would hold a public hearing on final procurement May of 1991. He said the resolution would provide guidance on how to complete the technical analysis and how it should be used. He said the resolution stated staff could not complete the technical analysis until the Council determined base case criteria with which to conduct the rate analysis and determined whether a service area concept was a viable approach for allocating waste to transfer facilities. He said development of the final procurement criteria and writing the final chapter would be based

on the final technical analysis which would address issues outlined in the resolution such as public versus private ownership, the latest financing options, and the final rate of impact. He said the resolution gave priority to a local Washington County solution, but only if Washington County met the criteria adopted by the Metro Council. He said if Washington County could not meet that criteria, the facilities would be procured through a competitive bidding process that could include public ownership or turn-key options.

Bob Martin, Director of Solid Waste, discussed questions listed in Councilor Collier's memorandum of November 15, 1990, "Information Request." Mr. Martin said there was a definite need for at least one facility in Washington County because Metro South Station was at almost maximum capacity. He said the composter facility would provide relief when it came on-line, but that a Washington County transfer station would be necessary by the mid 1990's. He said staff had reviewed ECO/Northwest's (ECO/NW) cost information and would discuss it with ECO/NW.

Mr. Martin said any new facility should be sited on a 6-10 acre site based on various needs. Staff estimated 75,000 to 100,000 square feet of floor space was necessary and believed ECO/NW had slightly underestimated required floor space. He said ECO/NW estimated a new facility would cost \$10.3 to \$14.8 million and staff had questions regarding assumptions and methodology on those cost estimates. Staff did think those estimates were realistic, however. He said ECO/NW's estimated cost for expansion, \$3.5 to 4.5 million, was realistic.

Mr. Martin said Metro did not require the Forest Grove Transfer Station (FGTS) be renovated and expanded into the regional system. He said the facility could have its current Metro franchise renewed pursuant to the Metro Code, but that FGTS had no understanding with Metro on anything beyond their current franchise agreement. Mr. Martin believed the Forest Grove facility was necessary to provide required services to the western part of the region because of the distances haulers would have to otherwise drive. Mr. Martin discussed composting capacity. He said if there was demand for additional compost products, an additional one drum composter facility could be added, but a composting facility would not eliminate the need for a transfer station in Washington County.

Councilor Saucy noted he received a letter dated November 20, 1990, from David Luneke, Wilsey & Ham Pacific project manager, which questioned existing tonnage capacity figures for disposal in Washington County and stated base or starting tonnages for any new transfer facility should begin at 120,000 tons. He noted Mr. Luneke said 142,000 tons had been disposed of in Washington County in 1989 and noted Metro staff said 225,000 tons would be disposed of in 1993. Councilor Saucy asked which figures were correct. Mr. Martin said Mr. Luneke's letter referred to 1989 tonnages and that Metro staff based their tonnage on projected 1993

COUNCIL SOLID WASTE COMMITTEE

November 20, 1990

Page 3

figures. He said the figures were compatible because that much growth was expected from 1989 to 1993.

Mr. Carson said Metro staff received the same letter at the November 19, 1990, Washington County Solid Waste System Design Steering Committee (Steering Committee) meeting. He said Metro staff had not had the opportunity to talk to Mr. Luneke about the figures given. He said Metro staff believed their figures to be correct and was not sure what Wilsey & Ham Pacific was proposing. He said staff would have to discuss the issues with Mr. Luneke.

Mr. Martin noted Mr. Luneke was present and could explain the numbers given in his letter. He said Metro's and Wilsey & Ham's figures were compatible and that Wilsey & Ham made their assumptions on data from Metro. He said Mr. Luneke's letter referred to tonnage from franchised haulers. He said a significant amount of tonnage came from public self-haul and contractors who hauled their own debris and used other than Metro facilities such as the Hillsboro Reload facility, and said that waste went to the Riverbend and Yamhill County landfills. He said the Riverbend Landfill would close and then that waste would go to Metro South Station for processing and eventually to whatever facility was developed in Washington County. He said based on those factors, it was possible to reconcile the differences in tonnage figures.

Chair DeJardin opened the public hearing.

Commissioner Steve Larrance, Washington County Board of Commissioners, said Resolution No. 90-1358 was the culmination of a three and a half year process. He said recommendations made by Councilors at the Washington County Solid Waste System Workshop held October 20, 1990, on the issue were helpful including those for competitive procurement and the possible addition of a composter facility. Commissioner Larrance expressed his opposition to Resolution No. 90-1358A and said he would not address it at this meeting. He said Washington County had developed their solid waste system for over three years and said Resolution No. 90-1358A represented major changes without any involvement from, or contact with, the Steering Committee. He said Washington County based their plan on compromise and Resolution No. 90-1358A did not allow for compromise of any kind.

Mike McKeever, McKeever/Morris, gave an overhead presentation which detailed the primary elements of the process; the decision-making process used; listed operational issues; gave policy issues; and discussed Washington County cooperation on other regional solid waste issues. Councilor Devlin noted Mr. McKeever reviewed public versus private facilities, compared the option of two transfer stations, and discussed the possible addition of a third transfer station in 2003. Councilor Devlin asked Mr. McKeever if, after the franchise procurement process the proposals received were found not to be acceptable, a full

competitive process would be utilized to consider both public and private options. Mr. McKeever said a competitive process would be utilized in that case.

Mayor Clifford Clark, City of Forest Grove, spoke on behalf of the Forest Grove City Council and as a member of the Steering Committee. He supported Resolution No. 90-1358. He said the Washington County plan was a cooperative effort which had involved many for over three years. He said the Forest Grove City Council directed their staff, via unanimous vote on November 12, to draft a resolution in support of the original Washington County plan and said the Forest Grove City Council would consider that resolution on November 26. He said Forest Grove supported the Washington County plan so that no one transfer station would bear the entire burden of Washington County's solid waste disposal. He said another reason for Forest Grove support was because the Washington County plan specifically stated FGTS would process 120,000 tons only per year. He said if those factors changed, Forest Grove's support would disappear. Chair DeJardin noted Hillsboro, Beaverton and Durham shared the burden for solid waste disposal in Washington County. Mayor Clark said he referred to transfer stations only.

Tom Barthell, City of Wilsonville, Assistant City Manager, expressed Wilsonville's preference for Resolution No. 90-1358 because it suited their transportation needs and noted Wilsonville's traffic was truck-oriented. He said a smaller facility was more suited to Wilsonville's community image.

Mayor Shirley Huffman, City of Hillsboro, said the Washington County plan represented absolute cooperation between the entities involved. She said the plan was the result of many hours of hard work and compromise. She said the plan fit Hillsboro's land use and transportation planning and complemented the RSWMP. She noted she served on the Steering Committee from its inception. She said the Hillsboro City Council would consider a resolution in support of the Washington County plan the date of this meeting and said there was no question it would be adopted.

John Atkins, City of Beaverton, Assistant to Mayor Larry Cole, noted he also served on the Steering Committee from its inception. He said the first attempt to deal with solid waste disposal in Washington County had been disastrous because that attempt rested on the premise all Washington County solid waste should be processed through a solid waste "centroid" or one main transfer station. He said because of that premise, Washington County became polarized and its residents organized to prevent the construction of such a transfer station. He said Metro then told Washington County to develop their own plan. He said Washington County knew such a plan had to be consistent with Metro's RSWMP and minimum standards and accommodate both regional and Washington

County's needs through 2000. Mr. Atkins respectfully urged the SWC recommend Resolution No. 90-1358 in its original form because it could be implemented and was politically acceptable.

Dave Luneke, Wilsey & Ham, said he represented Ambrose Calcagno, FGTS operator. Mr. Luneke discussed his letter of November 20, 1990. Mr. Luneke addressed the tonnage issues raised earlier in the meeting. He said haulers raised tonnage issues previously a year ago during the planning process. He said the figures showed waste hauled by franchised haulers to general purpose landfills was approximately 26 percent less than the amount of waste credited to go to general purpose sites such as transfer stations. He said a reason for the discrepancy could be that in using region-wide figures, those totals would not match Washington County's statistics because it had two limited purpose sites so the tonnage normally found at Metro South Station or St. Johns Landfill instead went to the Hillsboro Landfill, the Grabhorn Landfill, or possibly Durham Pit because they charged less than general purpose rates. He said as the technical analysis progressed, tonnage that could be directed to a transfer station or material recovery center designated to handle general purpose waste should be closely monitored.

Mr. Luneke said waste generation numbers matched, but said of interest was who hauled solid waste and to where. He said such factors should be studied further because in Wilsey & Ham's analysis, 26 percent of the waste stream did not appear.

He said issues raised earlier this meeting about tonnage amounts at FGTS were tonnage amounts provided for policy-making purposes. He said the rates would change, and wanted to provide real facility numbers instead of numbers that were theoretical in nature. He said when the issues were resolved, FGTS would apply for expansion of its facility. He said FGTS planned to implement an aggressive materials recovery processing plan for that facility and said those factors would provide Metro with real numbers as it progressed with the second and third Washington County transfer facilities.

Councilor Collier asked Mr. Luneke if Wilsey & Ham had developed a base case scenario based on FGTS statistics to determine tonnage costs. Mr. Luneke distributed a cost matrix titled "Forest Grove Transfer Station Expansion Rate Impacts." The matrix detailed rates per ton based on expansion of FGTS. He said tonnage processed over 120,000 tons per year would be charged lower rates, but tonnage under 120,000 tons per year rates would be charged at least \$25 per ton for the transfer fee. Councilor Collier asked what the matrix meant in comparison to the plan proposed by Washington County. Mr. Luneke said if 200,000 tons was processed annually by two transfer stations and that tonnage was split 50/50, each transfer station would have to charge \$27.93 per ton to support each transfer station. Councilor Collier asked how those costs compared to Metro's current rate and if the matrix numbers represented

an increase. Mr. Luneke said the numbers did represent an increase in the blended rate of \$72.57 which could be comparable to Metro's current approximate rate of Metro's \$55-56 per ton charge which was an approximate \$12 increase over the current rate.

Councilor Hansen asked why the Steering Committee did not advocate a transfer system based on FGTS based on those numbers. Mr. Luneke said the Steering Committee plan was based on the premise no one county bear the burden of a single station. He said Wilsey & Ham provided the Steering Committee with different rates based on different tonnages. Councilor Hansen asked Mr. Luneke if they anticipated haulers who utilized Metro South would utilize FGTS. Mr. Luneke said they did not analyze who would utilize the facility, but said their analysis was based on costs based on one, two or three transfer stations. Councilor Hansen asked what service areas would correspond to 250,000 tons of solid waste. Mr. Luneke said with the reduction in the amount of available waste, there was not 150,000 tons of solid waste available in 1990 to go to any one facility. He said 200,000 tons covered the whole county.

Councilor Gardner said he knew the figures before the Committee were not developed to advance the concept of one transfer station, but said it was obvious that approach should be part of the complete analysis to determine the total cost to transfer solid waste in Washington County. He said 200,000 tons was less than Metro South's capacity. Councilor Gardner said the numbers discussed showed there were tremendous efficiencies of scale in transporting solid waste and said a different perspective could be used to create a cost-effective regional system. He said cost-effectiveness was not the only factor to consider, but said it was a factor that could not be ignored.

Councilor Devlin noted Mr. Luneke's numbers showed a cut-off figure of 250,000 tons. He said according to Metro projections for 2003 or 2013, the figures would be either 50,000 tons or 150,000 tons short depending on the year used. He asked if FGTS meant they could handle current and short-term future capacity, but not long-term capacity. Mr. Luneke said that assumption was consistent with their analysis. He said their theoretical capacity was 250,000 tons per year. He did not believe FGTS or the community was ready to test that assumption.

Commissioner Larrance noted Mr. Luneke did not represent the Steering Committee but represented A. C. Trucking which hoped to expand the FGTS site. He said Metro staff could not comment on the same numbers given at a meeting the day before this meeting. He said it would be premature to base a decision on numbers neither Metro nor the Steering Committee had analyzed. He said even if the numbers were accurate, they were not analogous to the issue before the Committee at this meeting.

Councilor Collier said the Committee wished to determine a base case scenario and said Mr. Luneke's numbers were the first cost differential figures presented to the SWC. She said if there was a cost differential, Washington County would bear those increased costs.

Councilor Gardner said the Metro Council would not make a decision based on one vendor's set of numbers. Commissioner Larrance noted the figures might not hold up during a negotiation process.

Chair DeJardin asked if anyone else present wished to testify. No one else appeared to testify and Chair DeJardin closed the public hearing.

Chair DeJardin asked for staff's comments on the testimony given.

Mr. Carson said staff had not looked at the numbers given by Mr. Luneke. He said cost effectiveness was an important aspect of the technical analysis but that cost effectiveness did not explain why Metro had a landfill located in eastern Oregon. He said there was a balance between cost effectiveness and the political process. Councilor Gardner noted the Department of Environmental Quality (DEQ) recommended the best site for a landfill after a two year process was on top of a mountain in the middle of a wetland. He recalled that a landfill in eastern landfill was the most cost-effective solution compared to DEQ's proposed site.

Mr. Martin said the numbers gave an incomplete picture with regard to transportation costs. He said also not shown were the capital costs of the facility, how they were calculated, and what was and was not included. He asked if those costs were representative of what could be achieved. He said staff had not seen operating costs which included labor and other costs. He said staff would have to see all those costs to ascertain the true numbers. He said even with those information gaps, staff would still not know if a given transfer station could operate at a certain level. He said FGTS had some room to expand but also had some space limitations and doubted if it could expand to process 250,000 tons of solid waste per year. He said the numbers showed there was opportunity to operate at the range already proposed in the Washington County plan at a rate fairly compatible with what the system rate would be. He said the numbers were compatible with the \$62 or \$63 system rate assuming a recyclable rate of 15 percent by 1993 when the Washington County system was expected to be on line. Mr. Martin discussed rates at a projected 150,000 tons per year. He said altogether, the Washington County rate would be compatible with system costs and the matrix could be used for cost estimates after further analysis.

Councilor Collier asked Mr. Martin to submit his analysis in writing to assist in determining what cost differential there would be for the Washington County system. Mr. Martin said staff could do so, but to use FGTS alone for a base case analysis would not be adequate. Councilor

Collier asked if Metro South or another transfer station could be used as a base case because staff already knew the costs for those facilities. Mr. Martin said that would be better because FGTS would in any case not be able to serve all of Washington County. He said R. W. Beck could analyze a number of other sites and that material could be pulled together to create a conceptualized base case.

Councilor Wyers noted Mr. Martin pointed out the net tip fees were not dissimilar but that construction and operating costs were not included. She asked Mr. Martin if he could include those costs as well. Mr. Martin said staff would although capital costs were unknown as related to expansions such as the FGTS proposed expansion. Councilor Saucy noted Metro had paid ECO/NW to perform a base case analysis. Mr. Carson explained ECO/NW would develop specific figures for a base case scenario and that Councilor Collier's request was for a range of numbers which would work to validate the base case as submitted by ECO/NW. Councilor Saucy asked when ECO/NW would complete their base case analysis. Mr. Carson said it would be completed by the end of November.

Chair DeJardin called a recess at 7:12 p.m. The Committee reconvened at 7:25 p.m.

Chair DeJardin said Resolution No. 90-1358 may have appeared to compromise the analytical process to achieve a plan as submitted by Washington County. He said the local option submitted by Washington County was consistent with Metro policy. He said staff had drafted the resolution to indicate that a full analysis would be carried out on the plan submitted by Washington County. He noted Metro Councilors had served on the Steering Committee. He said a community could not be forced to accept a plan they did not want.

Councilor Wyers noted Resolution No. 90-1358A contained the word "priority" in the resolution title and resolution itself and objected to inclusion of the word because it implied Metro preferred one thing over another when other possibilities had not yet been explored. She said she was not ready to express a preference, or state a certain option was a priority, at this time.

Councilor Collier asked the Committee to accept the amended resolution at this meeting, but recommend the Steering Committee review Resolution No. 90-1358A at their next meeting.

Motion: Councilor Collier moved to recommend the Steering Committee review Resolution No. 90-1358A.

Councilor Collier said she basically accepted the Washington County plan, but agreed with Councilor Wyers that the word "priority" did not allow Metro to give it the scrutiny necessary to fit into the regional solid waste system. She stated her agreement with the Steering

COUNCIL SOLID WASTE COMMITTEE

November 20, 1990

Page 9

Committee's siting recommendations. She said she never intended Washington County should have one facility only. She agreed with the recommendation to have more than one facility in the west part of the region. She said Resolution No. 90-1358A allowed for phased implementation of a two facility system which included the possible addition of a compost facility or other alternative technology facility in several years. Councilor Collier said Councilor Saucy was correct when he referred to Metro's commitment to waste reduction, but said Metro did not have enough experience with a composter facility as yet to state absolutely one would be sited in Washington County. She said Resolution No. 90-1358A gave Metro two to five years to determine if a composting facility or some other alternative technology facility was possible. She said the resolution would allow the technical analysis to be completed, including the cost and financing options for both public and private scenarios, prior to making the policy commitment whether or not the facilities would be public or private. Councilor Collier said she would base her decision on costs resulting from the technical analysis. She said it was important that Clackamas and Multnomah Counties did not pick up a cost differential for a higher cost of disposal in Washington County. She said Metro would try to determine the rate differential, if there was one, before any decision was made. She wanted to eliminate any implied preference for private ownership options and achieve agreement on costs and that the criteria for private/public ownership were those listed in Chapter 13 of the RSWMP and include an application of that criteria in the technical analysis in the chapter preparation phase. She said the resolution also established that any facility procurement which resulted in a facility cost and rate significantly higher than the base cost would result in local proponents identifying the mechanism to provide funding of the incremental costs from the local rate payers, to determine how to pay the differential, if any. She said the resolution also included a schedule similar to that proposed by the Steering Committee.

Councilor Collier noted Mayor Clark's concern that Forest Grove not bear the burden of Washington County's solid waste disposal and Mr. Barthell's stated preference for a cap on solid waste disposal in Wilsonville. Councilor Collier asked the Steering Committee to review Resolution No. 90-1358A comprehensively.

Councilor Saucy noted he had attended Steering Committee meetings since July of 1990. He said siting had been done with the two facilities in Forest Grove and Wilsonville. He asked for definitive figures on tonnage. Councilor Saucy expressed his concern about the use of the word "shall" in Exhibits A, B and C. He said if the Committee considered Resolution No. 90-1358 again he would like to change that language. He felt comfortable with the sites selected and that Metro would reduce waste going to the landfill. He said he could support Resolution No. 90-1358A.

Councilor Devlin stated Resolution No. 90-1358 would be preferable to the Council as a whole with some minor modifications. He said to use Metro South or Metro Northwest Stations for a base case analysis would be difficult. He said Metro South was the oldest facility in the system, not at the technical level Metro would want a new facility to be, and noted it was less labor-intensive than a new facility would be. He said Metro Northwest would initially handle 430,000 tons which was not similar to Washington County tonnage rates. He said a normal scenario would be up to 200,000 tons for the first few years, and in a worst case scenario, up to 400,000 tons in 2013.

Councilor Devlin wanted specific ownership language included in Section No. 2 under BE IT RESOLVED. He wanted language included that stated "That Metro staff and the Council Solid Waste working cooperatively..." Councilor Devlin said Exhibit C demonstrated a very linear decision process and preferred more coordination on the chapter and procurement guidelines between the SWC and the Steering Committee. He said the procurement process had only been given 75 days and said that was not enough time for a competitive process, especially if the proposals required conditional use approval by local government. He said the time line stated in January of 1992 a franchise would be awarded. He said the time line should state "franchises" because Metro would likely accept more than one proposal. He preferred that Metro be able to accept two proposals if found acceptable, or if one of the two proposals was found acceptable, to begin a full procurement process for that area. He said Metro should not have to accept multiple proposals as a package.

Councilor Collier asked Councilor Devlin what criteria should be used for a base case scenario. Councilor Devlin said ECO/NW was working on a two station public/private scenario which would be used when completed.

Councilor Gardner discussed both resolutions. He said the amended version did not represent an alternative system plan, but a descriptive decision process based on the Washington County plan, which used most of its conclusions. He said the resolutions differed on a process for the Metro Council to make its decision. He said he could strongly support Resolution No. 90-1358A and concurred with Councilor Wyers on the use of the word "priority." He said the word was misleading and led those involved to think the selection had already been made. He said Resolution No. 90-1358 stated "The Washington County Plan was consistent with the RSWMP." He said he would not be prepared to agree with that statement until he saw a staff report that detailed how the Washington County plan was consistent with all provisions of the RSWMP. Councilor Gardner said he would have difficulty voting for a resolution which stated a preference for privately owned facilities. He said Metro should decide on ownership in a case-by-case basis. Councilor Gardner stated his preference for public ownership because it was best for the public. Councilor Gardner said Resolution No. 90-1358A addressed most of his concerns.

Councilor Hansen said the primary goals were to relieve pressure on Washington County solid waste facilities and to move solid waste out of Washington County. He said Resolution No. 90-1358A was a major deviation from the plan proposed by the Steering Committee and would not get the job done. Councilor Hansen said Forest Grove could not bear the burden of solid waste disposal while the two or three year second phase was carried out. Councilor Hansen recommended the SWC table Resolution No. 90-1358A. Councilor Collier disagreed with Councilor Hansen and said the second phase would not delay any decisions but allow Metro to look at recycling and waste recovery factors while putting on-line the two transfer stations options Washington County proposed.

Councilor Saucy concurred with Councilors Collier and Gardner, and said oversight should be written into the franchise agreements, but believed private ownership would do as good a job as public ownership.

Chair DeJardin said Councilor Wyers indicated "priority" meant preference for one plan over another. He said there was no plan other than the Washington County plan. He said the language had taken on a greater magnitude than originally intended. He asked staff to comment on consistency with the RSWMP because that consistency had been questioned. He asked for assurance the Plan would be reviewed regardless of language used. He said a third choice could be developed that would be acceptable to all parties involved.

Councilor Collier said it would be of concern to the Metro Council if they had to choose a plan without knowing real costs. She requested Commissioner Larrance take Resolution No. 90-1358A back to the Steering Committee for their comment and review at their next meeting.

Councilor Wyers said she was glad when the Steering Committee was created to develop a plan. She had anticipated the Steering Committee would assemble a plan; the Council would then evaluate the plan, make changes and/or submit its own plan; enter a negotiation process; and the end result would be the best product for the region and Washington County. Councilor Wyers wanted to explore public versus private bidding; encouraged a competitive bidding process; and said the Council must know actual costs. Councilor Wyers expressed support for Resolution No. 90-1358A and concurred with Councilor Collier that it did not differ greatly from Resolution No. 90-1358.

Chair DeJardin asked Councilor Collier if her intent at this meeting was to recommend the Steering Committee review Resolution No. 90-1358A and have it return for SWC committee consideration December 4, 1990. Councilor Collier said that was her intent when she made her motion and that the SWC could consider both Resolution Nos. 90-1358 and 90-1358A at the December 4 meeting.

Vote: Councilors Collier, Saucy and Wyers voted aye. Councilor DeJardin voted nay. Councilor Buchanan was absent. The vote was 3 to 1 and the motion passed.

3. Resolution No. 90-1337, For the Purpose of Establishing Incentives that Encourage Greater Waste Reduction and Recycling

Debbie Gorham, Waste Reduction Manager, and Terry Peterson, Associate Solid Waste Planner, gave staff's report.

Ms. Gorham noted the resolution was a direct response to the Environmental Quality Commission's (EQC) Order SW-WR-89-01 which directed Metro conduct a study of the effectiveness of current rate incentives in reducing waste.

Mr. Petersen listed and explained the 10 incentives. He discussed Incentive No. 1. He said the current procedure for "Self-haul" was a discounted tip fee and that staff proposed a \$3 credit. He said there would be no significant impact on regional recycling levels but tip fees on remaining waste could be decreased because Metro would no longer pay for recyclables.

Mr. Petersen discussed Incentive No. 2. He noted Metro had no authority to set collection rates since that was a local function. Metro could establish region-wide standards for waste reduction and staff proposed the curb can charge for higher volume service be at least equal to the per can charge for low volume service which could significantly increase recycling from the residential waste stream and not impact state or Metro tip fees. Mr. Petersen said the incentive could be viewed as unfair to large households and result in illegal dumping if the per can charge was considered too high.

Mr. Petersen discussed Recycling Incentive No. 3. He said the current charge for yard debris was \$25 per ton at St. Johns and staff proposed utilization of the three-tier rate and assisting processors. He said the rate would eventually reach \$45 per ton.

Mr. Petersen discussed Incentive No. 4 and said there was no current procedure for hauler rebates and staff proposed local government responsibility. Staff's concept was to pay haulers for the material they marketed similar to Lane County practice. He said haulers were paid as much as \$175 per ton in Lane County. He said it was an alternative method of funding collection programs. He said an alternative to that rebate would be to establish standards and ensure the cost of implementing those standards was covered through collection rates.

Mr. Petersen discussed Incentive No. 5 and said it was meant to direct routes to the Riedel Composter facility to ensure it received proper waste for composting purposes.

Mr. Petersen discussed Incentive No. 6 and said there was no current procedure for construction/demolition debris and proposed a procedure be dealt with as part of the procurement process for select waste.

Mr. Petersen discussed Incentive No. 7 and said Metro's current procedure was to offer a \$2 payment per ton for mixed waste paper recovered. He said that payment was made regardless of market price, but said the payment had had no impact on the recovery of mixed waste paper. He said staff proposed instead of market subsidies that market development be depended upon to increase the recycling level for that material and eliminate the \$2 payment.

Mr. Petersen discussed Incentive No. 8 and said the Metro Code stated ~~user fees shall be waived at facilities~~ which accomplished recycling as a primary operation. He said there were no standards for "primary" and therefore no incentives for facilities to improve their standards and become eligible for the user fee waivers. Staff proposed minimum recovery levels for facilities to meet to be eligible for the user fee waiver.

Mr. Petersen discussed Incentive No. 9 and said the non-profit recycling credits listed had already been implemented.

Ms. Gorham discussed Incentive No. 10 and explained the Metro Recycling Business Development Revolving Loan Fund would assist market development through a revolving loan program. Councilor Wyers referred to her November 15, 1990 memorandum "Waste Reduction and Recycling Incentives." Ms. Gorham explained Metro and other entities would match funds. Councilor Wyers asked how the revolving loan fund differed from tax credits.

Chair DeJardin opened the public hearing.

Kip Childs, Oregon Environmental Council (OEC), said the OEC strongly supported making recycling depots and drop boxes centers available before the gate houses. With regard to the volume-based collection rates, the OEC supported a sliding scale that would result in an increased fee for additional cans to provide an incentive to encourage customers to reduce waste. The OEC supported source-separated yard debris and thought it appropriate the fee be between the normal tipping fee and the fee charged for dropping off at the processor. He said the OEC also supported rebates for collection and the marketing of recyclables although they knew that incentive was controversial. He said they believed it should be supported by increased tipping fees. Mr. Childs said one incentive dropped was the possibility of increasing the collection and recycling of construction/demolition materials. The OEC believed that was an important issue which required further study because approximately 17 percent of transfer station waste was

construction/demolition material. The OEC supported continued payments to processors for accepting mixed waste. He noted staff's statement that \$2 did not result in significant recycling and said a higher incentive rate should be looked at.

Jeanne Roy, Recycling Advocates, recommended a rate be set for yard debris lower than mixed waste but higher than the processor's fee. Recycling Advocates recommended the fee be no higher than \$45 per ton. Recycling Advocates recommended the payment to processors of 50 to 79 percent high grade paper be increased to \$18 per ton and given only for the tonnage of paper recycled. She said if market prices rose, the amount of the increase could be subtracted from the \$18 payment. She said Metro could estimate the extra amount of paper which would be recycled and budget a certain amount so that the incentive would not be open-ended. Recycling Advocates recommended an incentive be established for commercial haulers of cardboard. She said they could be paid for the extra they recycled over a base amount. She said if they were paid \$25 per ton, and the amount recycled increased from 41 to 50 percent, Metro would pay \$523,175. Ms. Roy said Metro would then pay less per ton than what they paid the non-profit recycling agencies and 21,000 additional tons of cardboard would be recycled. Recycling Advocates recommended Metro establish an incentive for the acceptance and marketing of reusable building materials using the same formula for non-profit recycling agencies. Ms. Roy said building materials were included in DEQ's order to Metro, but not addressed by staff. Ms. Roy distributed recommended amendments to the resolution based on Recycling Advocate's recommendations.

Ms. Roy additionally commented that Recycling Advocates would rather see free drop-off of recyclables outside Metro South and Metro Northwest Stations than implementation of the \$3 credit. They encouraged the increased flow of food waste to the composting facility. They did not want a business loan program administered by Metro because Metro had had difficulty administering the 1% for Recycling grants. Ms. Roy also recommended the economic incentives report include a tip fee impact for each incentive.

Estle Harlan, Tri-County Council, noted she had served on the Waste Reduction and Yard Debris Committees from their inception. Ms. Harlan discussed Incentive No. 1 regarding separate recyclable drop off points and said if they were not possible, the \$3 discount would be the most effective mechanism. The Tri-County Council recommended with regard to Incentive No. 2 to continue the mini-can and the level can rate. The Tri-County Council agreed with the recommendation for Incentive No. 3 on yard debris and noted processors planned to install scales also. Ms. Harlan said Incentive No. 4 presented the most concern. She said it seemed the haulers themselves should advocate for rebates, but said the incentive presented difficulties because haulers had no method to collect tip fees in some areas. She said if the incentive was attached

to commercial rates, small haulers would be adversely affected because they would pay high tip fees but have very little chance for rebate. The Tri-County Council asked that Metro not collect from the haulers and then try to give them money back. The Tri-County Council said if Incentive No. 5 could be implemented, it was an acceptable incentive. Ms. Harlan said the haulers were trying very hard and would introduce new programs on multi-family and office paper collection.

Dave Phillips, Clackamas County Solid Waste Administrator, recommended drop off facilities before gate houses. He supported the mini-can collection rate incentive and said Clackamas County had had real success with a similar measure. He said Incentive No. 4 had some real problems and it did not make sense to raise disposal fees and then rebate funds back to the haulers. He said there were no markets for materials recovery. He said recovery of construction/demolition materials was not being ignored but would come before the Committee in the Special Waste Chapter. He concurred with directing special loads to the composter facility. Mr. Phillips concurred with staff in general on their recommendations.

Merle Irvine, Wastech, Inc., said the main incentive to recycle was Metro's disposal fee as it increased. He concurred with Ms. Roy the \$2 incentive should be increased. He supported routing loads to the composter facility. He recommended staff research the controversial issues further and incorporate the incentives into next year's work program. Mr. Irvine supported Incentive No. 8 to increase the accountability of recycling centers.

Chair DeJardin asked if anyone else present wished to testify. No one else appeared to testify and the public hearing was closed.

Main Motion as Amended: Councilor Wyers moved to recommend the full Council adopt Resolution No. 90-1337 as amended below (new language underlined and deleted language bracketed):

BE IT RESOLVED, Section 1 to read: "That transfer and material processing stations be designed [to the maximum extent feasible] to provide convenient drop-off of recyclables outside the weigh scales for non-commercial haulers at no charge."

BE IT RESOLVED, Section 2(B) to read: "(5.02.070) by February 1, 1991, a special yard debris rate at transfer stations [based on disposal costs,] that is expected to be less than the fee for waste but more than the fee charged at private yard debris processors, and."

BE IT RESOLVED, Section 6 with the deletion of the word "periodic" to be replaced by "yearly."

Councilor Wyers said the issues were complicated. She said she would take the issues raised at this meeting and develop a work program to address some of the questions raised in her memorandum as well as those raised in testimony at this meeting. The Committee concurred with Councilor Wyers' plan.

Vote on Main Motion as Amended: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

4. Solid Waste Department Staff Updates

- o General Staff Reports
- o Progress to date regarding adoption by local governments of Annual Waste Reduction Programs

Chair DeJardin removed Solid Waste Department Staff Updates from the agenda due to the number of other agenda items.

5. Ordinance No. 90-368, For the Purpose of Amending Ordinance No. 88--266B Adopting the Regional Solid Waste Management Plan to Incorporate the Special Waste Chapter

Mr. Carson and Becky Crockett, Solid Waste Planning Supervisor, gave staff's report.

Ms. Crockett said the ordinance would amend the RSWMP to include the Special Waste Chapter which included long-term management options for special waste into the RSWMP. Ms. Crockett said the this meeting's agenda included two other items related to solid waste issues: Resolution No. 90-1329, For the Purpose of Closing St. Johns Landfill as a General Purpose Landfill but Continuing to Accept Limited Types of Solid Waste for a Limited Time to Ensure Proper Closure; and Agenda Item No. 7, Proposed Metro Procurement for Regional Special Waste Facilities. She said it was unusual for staff to introduce planning and implementation items at the same time, but said the schedule of events was such that both issues had to be addressed concurrently.

Ms. Crockett introduced Robert Newman of SCS Engineers, Inc., former staff person with the Planning & Development Department, and explained he wrote the Special Waste Chapter and was present to explain the Chapter to the Committee. Mr. Newman gave staff's report on the Special Waste Chapter and gave the chapter's key points. Mr. Newman noted the Special Waste Chapter established the Special Waste Permit Program, the Load Checking Program the Waste Exchange Program, and the Technical Assistance Program. It also recommended the following items: A Demonstration Depot; A Construction and Demolition Debris and Land-Clearing Debris Processing System; Special Waste Landfill Capacity; Dewatering Capability for Non-Hazardous Industrial Sludges; Regional

Disposal Restrictions on Petroleum Sludge; and Treatment Capability for Petroleum Contaminated Soil.

Ms. Crockett discussed actions which would result from adoption of the Special Waste Chapter such as an application for amendment of EQC's Order. Ms. Crockett distributed amendments to the Special Waste Chapter. She said the amendments were specific. Staff removed every Chapter reference that could be construed as inconsistent with Resolution No. 90-1329 because four substreams would not be considered appropriate for disposal at the St. Johns Landfill after February 1991.

Councilor Wyers asked staff to explain issues related to procurement. Ms. Crockett said how the Council determined procurement would not affect the Solid Waste Chapter. She said the Chapter could be adopted and then procurement on special waste substreams could be developed.

Chair DeJardin opened the public hearing.

Rod Grimm, Grimm's Fuel Company, discussed how Grimm's processed construction/demolition/wood waste. He said last year they marketed 5,000 tons of recycled material. He said they received an order from the paper industry for 9,000 tons of recycled tons. He said a market was being developed that could contribute to the cost of processing. He said Grimm's could currently process 60,000 tons of material and they had invested in the capital equipment to do so. He said with shearing equipment they could process stumps to acceptable sizes for customers, use some of that material for pellets, and the market could be diversified. He said all issues led back to market conditions. Mr. Grimm said he did not like to be told he must bid on his own business. He said Grimm's had been the only business to process the materials he listed for years. He noted Grimm's had plans for rock recycling. He said previously mentioned at this meeting was that sheet rock could not be recycled, but said Grimm's could use it for their processing techniques, and could also use mixed paper.

Councilor Collier asked if the Committee should amend the ordinance because of Mr. Grimm's testimony he would have to bid on his own business. Ms. Crockett said the issues raised by Mr. Grimm spoke directly to procurement issues. She said he and others in the private sector had invested in equipment to manage and process construction/demolition debris in the market to create hog fuel and other products. To Councilor Wyers' question, Ms. Crockett said the Chapter identified that Metro should implement some type of recovery system for construction/demolition debris and that it was economically feasible.

Main Motion as Amended: Councilor Collier moved to recommend the full Council adopt Ordinance No. 90-368 as amended with staff's changes.

Vote on Main Motion as Amended: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

6. Resolution No. 90-1329A, For the Purpose of Closing St. Johns Landfill as a General Purpose Landfill But Continuing to Accept Limited Types of Solid Waste For a Limited Time to Ensure Proper Closure

Jim Watkins, Engineering & Analysis Manager, gave staff's report and noted the SWC considered Resolution No. 90-1329 on October 30, 1990. He said the resolution would allow the St. Johns Landfill to accept limited purpose waste and serve as a limited purpose landfill until the fall of 1994 after its closure as a general purpose landfill in February 1991. He said staff's goal was to achieve the required contours as directed by DEQ, to generate additional revenue for the North Portland Rehabilitation and Enhancement Fund and the Smith Bybee Lakes Trust Fund, as well as reducing anticipated costs incurred by importing additional soil for the required contours.

Mr. Watkins noted the SWC directed staff return at this meeting with a resolution revised per testimony given at the October 30 meeting by private limited purpose landfill vendors. Staff held discussions with representatives from Hillsboro Landfill, Grabhorn Landfill, East County Recycling, and Oregon Processing and Recovery Center (OPRC) to address their concerns. Mr. Watkins said Resolution No. 1329A was revised to accept only construction/demolition debris, land clearing and non-hazardous dust wastes at the landfill in its limited purpose function. He said Metro would not accept a load identified by Metro as a recyclable that could be acceptable to a private Portland processing facility. He said the recyclable definition meant the private vendor had the capacity to accept it and it had enough recyclable material in it to warrant the vendor's efforts to recycle it.

Councilor Wyers asked how staff would determine a load was recyclable. Mr. Watkins said the loads would come to St. Johns Landfill in drop boxes and could be easily inspected. Councilor Wyers asked if the drop boxes would be inspected routinely. Mr. Watkins said they would. Mr. Watkins said solid waste would be accepted at \$40 per ton until July and staff would then develop a new rate through the normal rate-setting process. He said staff also assessed the waste currently delivered to the landfill at the present rate in drop boxes and flatbed trucks. He said the landfill received 131,000 tons annually at this time and through waste assessment studies, staff determined 80 percent of that waste could be accepted for limited landfill purposes. He said 100,000 tons would be sufficient for those purposes.

Chair DeJardin opened the public hearing.

Merle Irvine, Wastech, Inc., noted he testified at the October 30 meeting and expressed concern because the majority of waste received at OPRC for processing and recovery was the same type of waste that qualified for acceptance at the St. Johns Landfill in its capacity as a limited purpose landfill. He said he recommended staff develop a new rate compatible with regional limited purpose landfill rates of approximately \$33 per ton. He said if Metro did not charge a comparable rate, OPRC would lose 68 percent of its existing flow. He said the revised resolution addressed the concern he expressed at the October 30 meeting because the landfill would not accept mixed commercial industrial waste suitable for recycling, or that portion of construction/demolition waste OPRC could recycle once their wood processor was on-line. He said he discussed definitions of recyclables with Mr. Martin and would continue to discuss such definitions further. He said inspectors at the landfill would visit OPRC to determine what loads were recyclable and what were not. He expressed concern a lower rate would be difficult to administer. He said also discussed with Mr. Martin was what Metro's charge would be for construction/demolition waste after July 1, 1991. He expressed concern about a rate lower than the regional rate and a rate lower than what recycling centers charged for mixed loads. He said the lower rate as drafted in the resolution could lead to intentionally contaminated loads so those loads could go to the landfill only. He recommended the landfill charge the same rates as those charged at Metro South, Metro East and Metro Northwest Stations and the Riedel Composter facility. He said all facility costs could be combined to determine a base fee which could lower the regional charge and create an economic incentive between the higher St. Johns Landfill fee and that charged by OPRC and other private vendors.

Mike Sandberg, Hillsboro Landfill, Inc. (HLI), concurred with Mr. Irvine's testimony and explained HLI's function and operations. He said since Killingsworth Fast Disposal (KFD) had closed, HLI planned to become a regional facility and invested in equipment to manage increased flow. He said they had acquired permits from the Division of State Lands and Washington County to allow them to operate as a regional site for 8 to 10 years. He said they also applied for a permit from Washington County to construct and operate a materials recovery facility and a yard debris recycling depot. He said HLI did not object to the St. Johns Landfill operating as a limited purpose landfill as long as rates were not lowered there. He said a lower rate would divert waste from OPRC, East County Recycling and Grimm's, and possibly cause them to cease operations. He said a lower rate would give haulers an economic incentive to landfill rather than reuse, recycle, or recover energy. He said HLI would lose 30 percent of their flow if Metro adopted a lower fee at the landfill. He said HLI's yard debris recycling program might have to be deferred. He said HLI did not object to landfilling demolition/construction materials to achieve the necessary slopes.

Ralph Gilbert, East County Recycling, concurred with the testimony given by Mr. Irvine and Mr. Sandberg. He said East County Recycling had ordered a \$600,000 shredder and had expected an increased flow of solid waste after the St. Johns Landfill closed.

Councilor Collier asked those vendors present if the concerns they raised at the October 30 meeting had been addressed and asked them to participate in the rate setting process for FY 1991-91.

Councilor Wyers asked what would happen to overall system expenses if the rate was kept at a higher level. Mr. Martin said the \$48 per ton rate would greatly exceed St. Johns operating costs as a limited purpose landfill and said the revenue accrued could offset other system costs. Mr. Martin said staff would submit rate recommendations after the rate setting process.

Main Motion: Councilor Collier moved to recommend the full Council adopt Resolution No. 90-1329A.

Vote on Main Motion: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

7. Proposed Metro Procurement Procedure for Regional Solid Waste Facilities

Mr. Martin briefed the SWC on staff's proposed procurement processes.

Chair DeJardin opened a public hearing.

Mr. Gilbert testified again and said the \$55 per ton rate encouraged more recycling activity than the \$42.50 per ton rate. He agreed with staff's analysis if vendors were not forced to buy their businesses back. He said vendors should not have to submit Request for Proposals (RFP). Councilor Collier asked Mr. Gilbert if he was comfortable with the process used by staff. Mr. Gilbert complimented staff on their efforts and said he had no problems with staff. He said policy as stated by staff was fine as long as it remained a directed effort.

Mr. Sandberg testified again and said he had no difficulty working with staff but said there were difficulties with other procurement issues, particularly with regard to yard debris. He said if HLI was closer to the St. Johns Landfill they would receive no business, particularly if the landfill rate was \$45 per ton. He noted last year HLI charged \$35 per ton and operated in the red.

8. Ordinance No. 90-372, For the Purpose of Amending Metro Code Chapter 5.02 Establishing Tonnage Based Solid Waste Disposal Rates at Metro Facilities

Roosevelt Carter, Budget & Finance Manager, gave staff's report. He said the Metro Council adopted Resolution No. 90-1248 on April 26, 1990 to state new policy to weigh all vehicles at Metro-owned facilities. He said the policy was directed at weighing "self-haul" Metro facility customers who historically had been charged on a flat rate or yardage basis.

Mr. Carter said the ordinance would implement policy stated in the resolution. He said staff proposed with the opening of Metro Northwest Station to begin weighing all waste haulers and to set the current minimum charge of \$15 for those haulers who had less than 550 pounds of waste because the scales would not weigh below that weight.

Mr. Carter said the ordinance changed definitions of "self-haul" and "private" in favor of "cash account customers" for those haulers who did not have Metro credit accounts and eliminated the "commercial" designation and replaced it with the "credit account customer" designation. He said the new designations would assist staff in statistical purposes and align with current data collected by staff. He indicated the ordinance would affect 74,000 annual trips to Metro facilities and the revenue impact would result in an additional \$180,000 in revenue for FY 1990-91.

Mr. Carter noted amendment language distributed by staff to amend Ordinance No. 90-372 Section 7 to make the ordinance effective date January 12, 1991 as opposed to the required 65 working days. He said the effective date was made pursuant to a declaration of emergency in conformity with ORS 268.515(7) requirements.

Main Motion as Amended: Councilor Collier moved to recommend the full Council adopt Ordinance No. 90-372 as amended with staff's language added to Section 7, Effective Date, listed below:

"The effective date of the ordinance amendments contained herein shall be January 12, 1991. This effective date is made pursuant to a declaration of emergency in conformity with the requirements of ORS 268.515(7) requiring user or service charges not to become effective until 65 working days after passage of the ordinance. "Except in emergency..." The need for an earlier effective date than March 6 is to assure that the new Metro East Station upon first operation will not be required to initiate a flat fee rate structure for public haulers for a short period of time and then convert to a total weight based system as provided in this ordinance."

Vote on Main Motion as Amended: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

9. Resolution No. 90-1341, For the Purpose of Changing the Term of Membership of the Solid Waste Rate Review Advisory Committee from a Calendar Year to a Fiscal Year Basis

Mr. Carter presented the staff's report. The Committee had no questions or comments on the resolution.

Main Motion: Councilor Collier moved to recommend the full Council adopt Resolution No. 90-1341.

Vote on Main Motion: Councilors Collier, DeJardin, Saucy and Wyers voted aye. Councilor Buchanan was absent. The vote was unanimous and the motion passed.

10. Resolution No. 90-1355, For the Purpose of Approving an Intergovernmental Agreement with the City of Oregon City Providing for the Payment of a \$.50 Per Ton Mitigation and Enhancement Fee

Mr. Martin and Sam Chandler, Solid Waste Facilities Manager, gave staff's report. Mr. Martin said the intergovernmental agreement committed Metro to Oregon City's time schedule with specific tonnages. He said Metro South Station would handle 400,000 tons in 1991. He said the agreement would ultimately scale Metro South to a maximum of 250,000 tons per year. Staff planned to direct waste to the Riedel composter facility. Councilor Collier asked if Metro would be penalized if tonnage limitations were not met. Mr. Martin said there was no specific penalty and that staff had a working relationship with Oregon City to alleviate any problems.

The Committee had no further questions or comments on the resolution.

Main Motion: Councilor DeJardin moved to recommend the full Council adopt Resolution No. 90-1355.

Vote on Main Motion: Councilors Collier, DeJardin, Saucy and Wyers voted aye. The vote was unanimous and the motion passed.

Chair DeJardin adjourned the meeting at 10:53 p.m.

Respectfully submitted,



Paulette Allen
Committee Clerk
SWC90.324