



METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

To: Solid Waste Committee Members
From: John Houser, ^{AGM} Council Analyst
Date: August 20, 1991
Re: Solid Waste Rate Review Committee

During the FY 1991-92 budget process, the Council added a budget note to the Solid Waste Department budget (Attachment 1) calling for the establishment of a task force to examine the rate review process and submit a written report to the Council Solid Waste Committee by December 15, 1991. Task force membership is to include representatives of the hauling industry, the Solid Waste Department and Council staff and be chaired by the chair of the Solid Waste Committee.

Based on the language in the note which identifies the Solid Waste Committee Chair as the Chair of the task force, it would be most appropriate for Council staff to provide support for the work of the task force. In addition, use of council staff as staff for the task force would be justified because the rate review committee was established by Council ordinance to assist the Council in reviewing rate proposals and most of the issues to be examined by the task force will be process and procedure-oriented or related to the responsibilities of the review committee in assisting the Council.

Task Force Membership

The budget note outlines several types of representatives for inclusion on task force, but does not address the overall size of the task force. For discussion purposes the committee may wish to consider the following proposed task force membership:

- *Two councilors (possibly the chair and vice-chair of the Solid Waste Committee)
- *Council Analyst for the Solid Waste Committee
- *Two Metro Department Staff (either two from the Solid Waste Department, or one from Solid Waste and one from Finance and Information)
- *Two current or former members of the rate review committee, and
- *Two representatives from the hauling industry

Task Force Timelines

The budget note calls for a task force report to be filed with the Council Solid Waste Committee by December 15, 1991. Historically, the rate review committee begins it's work in late November or early December. If changes are proposed in the operation of the committee that would require Council action, the work of task force should be completed to allow final Council action by December 1, 1991. The following is a proposed timeline for the work of the task force:

- September 6 -- naming of task force members
- September -- two task force meetings to receive testimony from councilors, Metro staff, current and former rate review committee members and local government officials involved in solid waste-related regulation
- October -- two meetings
 - 1st meeting --discussion and development of proposed recommendations
 - 2nd meeting --review of proposed ordinances, resolutions, or other documents to implement recommendations
- November -- final meeting (if needed) to review any changes in recommendations resulting from October meetings
- November 11 -- filing of recommendations with Council Solid Waste Committee
- November 19 -- Solid Waste Committee Hearing
- November 28 -- Council Consideration of Recommendations

Task Force Issues

There will be a number of issues that the task force may wish to examine. A partial listing of these would include:

- 1) Purpose, Authority and Responsibilities of the Rate Review Committee (The ordinance creating the committee provides only that the committee shall "gather information and provide recommendations for the establishment of rates." See attachment 2)
- 2) Rate Setting Review Criteria (Members of the review committee have expressed concern that they have no criteria or standards by which to judge rate proposals)

- 3) Appointment Process (Nature of Committee Membership and Timing of Appointments)
- 4) Support Staff for the Work of the Committee
- 5) Relationship of Rate Review Timelines and Budget Preparation Timelines (currently budget data that affect rate decisions is not available until late in the rate review process, limiting the decisionmaking ability of the rate review committee)
- 6) Conduct of Meetings (including setting agendas, conducting meetings, should this be the responsibility of the committee chair?)
- 7) Timely and ongoing access to relevant information (Committee members have expressed concern that they do not receive information on a timely basis)

Clearly the work of the task force must be coordinated with the Solid Waste Department and the Department of Finance and Information. But, it is also important to remember that the purpose of the rate review committee is to assist the Council in evaluating rate proposals and therefore, the operation of the committee should be geared to providing timely assistance to the Council in its rate evaluation process.

Solid Waste Revenue Fund

1. *Budget and Finance Division: Task Force to Examine the Rate Review Process*

A joint task force, including but not limited to representatives from the hauling industry, Solid Waste Department, the current Rate Review Committee, and Council staff, assisted by General Counsel, and chaired by the Council Solid Waste Committee Chair or the Chair's designee, shall meet beginning in July 1991, to examine the rate review process. A written report outlining recommendations shall be submitted to the Council Solid Waste Committee no later than December 15, 1991.

2. *Budget and Finance Division: Reports to Council Solid Waste Committee*

The Department should provide the Solid Waste Committee with the following reports at the times indicated:

- a. a monthly financial management report, beginning with a report for the month of July, 1991, to be provided no later than August 31, 1991;
- b. a supplemental narrative explaining the assumptions underlying the solid waste disposal rate model and summarizing the data, to be provided at the time the rate ordinance is filed with Council.
- c. a summary of the data contained in each Solid Waste Information System report, and an assessment of the meaning of the data for system operation, to be provided in each quarterly Solid Waste Information System Report.
- d. compliance audit findings, to be provided at the next regularly scheduled meeting after an audit is complete.

3. *Operations Division: Reclassification Study for Facilities Superintendent Position*

The Department in consultation with the Personnel Office shall complete a reclassification study for the Facilities Superintendent position, and report the results to the Finance Committee.

4. *Waste Reduction Division: Preparation of the FY 92-93 Budget*

The summarized line item justification for the Waste Reduction Division shall be prepared in a manner which clearly shows how proposed expenditures are allocated between the Public Affairs Department and the Waste Reduction Division. Additionally, Public Affairs expenditures funded by a transfer from the Waste Reduction Division shall be summarized as well as shown in detail by work program.

5. *Waste Reduction Division: Recycling Credits*

The Solid Waste Department will follow the policy adopted under Metro Code Chapter 5.07, which establishes procedures for calculating recycling credits for eligible nonprofit organizations.

Transportation Planning Fund

1. *Urban Growth Management Program*

The Transportation Department Urban Growth Management Program has identified \$250,000 for Transportation/Land Use Consultant support. Although this support is identified in the Budget Contracts List as a single 'A' contract, any contractual work against the \$250,000 will require Transportation Planning Committee and full Council review of the bid documents, prior to release for response, and the final contract, prior to execution.

(d) User Fees shall be paid to the District on or before the 20th day of each month following each preceding month of operation.

(e) There is no liability for User Fees on charge accounts that are worthless and charged off as uncollectible provided that an affidavit is filed with the District stating the name and amount of each uncollectible charge account. If the fees have previously been paid a deduction may be taken from the next payment due to the District for the amount found worthless and charged off. If any such account thereafter, in whole or in part, is collected, the amount so collected shall be included in the first return filed after such collection, and the fees shall be paid with the return.

(f) All User Fees shall be paid in the form of a remittance payable to the District. All User Fees received by the District shall be deposited in the Solid Waste Operating Fund and used only for the administration, implementation, operation and enforcement of the Solid Waste Management Plan.

(Ordinance No. 81-111, Sec. 16; amended by Ordinance No. 86-214, Sec. 1)

5.01.160 Reports from Collection Services: Upon request of the Executive Officer, a solid waste collection service shall file periodic reports with the District, containing information required by the Executive Officer.

(Ordinance No. 81-111, Sec. 17)

5.01.170 Rate Review Committee:

(a) The Council shall appoint a five-member Rate Review Committee to gather information and provide recommendations for the establishment of rates.

(b) Initially, three members shall serve two-year terms and two members shall serve one-year terms, in order to provide continuity in Rate Review Committee membership. Thereafter, Rate Review Committee members shall serve two-year staggered terms.

(c) The members of the Rate Review Committee shall be as follows:

- (1) One Certified Public Accountant with expertise in cost accounting and program auditing.
- (2) One Certified Public Accountant with expertise in the solid waste industry or public utility regulation.

(3) One local government administrator with expertise in governmental financing, agency budgeting and/or rate regulation.

(4) Two members of the public.

(d) No representative or affiliate of the solid waste industry and no employee of the District shall serve on the Rate Review Committee.

(Ordinance No. 81-111, Sec. 18)

5.01.180 Determination of Rates:

(a) No franchisee or operator of a site operating under a District Certificate or Agreement upon the effective date of this chapter shall charge a rate which is not established by the Council or, pending establishment of a rate by the Council, an interim rate established by the Executive Officer.

(b) At the time the Council grants a franchise, or after the Council grants a franchise it shall establish the rate(s) to be charged by the franchisee. The Council may establish uniform rates for all franchisees or varying rates based on the factors specified in this section.

(c) Effective January 1, 1982, before the Council establishes or adjusts any rate, the Rate Review Committee shall investigate the proposed rates and submit a recommendation to the Executive Officer. The Executive Officer shall forward the Committee's recommendation along with his/her recommendation to the Council, after which the Council shall hold a public hearing. The Council shall then set forth its findings and decision.

(d) In determination of rates, the Rate Review Committee, Executive Officer and Council shall give due consideration to the following:

(1) Operating and nonoperating revenues.

(2) Direct and indirect operating and nonoperating expenses including franchise fees.

(3) Nonfranchise profits.


(4) Reasonable return on investment exclusive of any capital investment in the franchise or any sum paid for the value of the franchise or any other



METRO

2000 S.W. First Avenue
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Memorandum

DATE: August 21, 1991
TO: Department Heads
FROM:  Bob Martin, Solid Waste Director
RE: In-House Waste Reduction and Recycling Program

In January, the Executive Officer issued Order No. 47 creating a task force to develop an in-house waste reduction and recycling program. This five-member task force met throughout the year and produced the guidelines for Metro's Waste Reduction and Recycling Program. They incorporate suggestions received from employees during our "watch your waste" competition this spring.

The Executive Order and draft guidelines are attached for your review. We believe this is an exemplary program that can serve as a model for local governments, businesses and other organizations. It is meant to be dynamic and may be modified or expanded in future years. For the program to be a success we need everyone's help.

Metro Center, the Zoo and MERC facilities will set a course each year to increase waste reduction and recycling activities. Assisted by team leaders from various departments, and with technical help from the Solid Waste Department, Metro can achieve these aggressive goals.

We ask three things of you:

- 1) Turn to page 5 of the guidelines to see where your department fits in the administration of this program. Organization charts are on the last pages.
- 2) Circulate the guidelines to your staff. September 6th is the deadline for comments.
- 3) Appoint team leaders.

Leigh Zimmerman from the Waste Reduction Division will call you on September 6 to discuss your comments and get the name of your team leader. Please give me a call if you have any questions or would like more information.

ATTENTION METRO EMPLOYEES!

Metro's waste reduction and recycling program is ready for your final review. You will notice that many of your suggestions have been included.

Each year, recycling coordinators for Metro Center, MERC facilities and the Zoo will design a plan for progress in waste reduction and recycling, and work with team leaders appointed by department heads to meet our goals.

If you have any comments on the proposal, please submit them to Leigh Zimmerman in the Waste Reduction Division. We will do our best to see that your ideas or concerns are addressed. For Metro's in-house waste reduction and recycling program to be a success, we need everyone's help.

The deadline for comments is September 6th.

DRAFT

EXECUTIVE ORDER NO. 47

Executive Order No. 47 established a task force to prepare guidelines for all departments and facilities of the Metropolitan Service District (Metro). The charge to the task force was to develop guidelines that would result in a comprehensive program consistent with the policies and programs in the Regional Solid Waste Management Plan (Waste Reduction Chapter), Metro's waste reduction ordinances and resolutions, and state statutes. The program is intended to be exemplary, a model for local governments, businesses, and other organizations in the metropolitan region and throughout the country.

Through Executive Order No. 47, the waste reduction guidelines developed by the task force are hereby adopted for Metro Center, Metro Washington Park Zoo, and Metropolitan Exposition and Recreation Commission facilities. Attachment "A" to this Order identifies guidelines in the following areas:

- ▲ Reduce
- ▲ Reuse
- ▲ Recycle
- ▲ Procurement
- ▲ Employee Motivation and Training
- ▲ Coordination and Administration
- ▲ Evaluation

Based on these guidelines, each Metro facility shall develop a waste reduction and recycling program. These programs are to be designed to meet the specific functions and needs of each facility and may vary between departments and facilities.

As outlined under the Coordination and Administration section of the Order (Attachment "A"), Metro Center, the Metro Washington Park Zoo, and MERC shall establish a recycling coordinating committee to be chaired by a designated recycling coordinator(s). Department heads shall appoint representatives from their respective departments. The committees shall determine the objectives and program options for their facilities. Each year, the designated recycling coordinator shall develop a work plan identifying the activities to be implemented that year.

By September 1, 1991, Metro's Executive Officer, the Director of the Zoo, and the Director of Operations for MERC shall appoint their respective recycling coordinators, consistent with the attached guidelines. By October 1st of each fiscal year, the annual waste reduction program for Metro Center, Metro Washington Park Zoo, and MERC shall be designed and then implemented. The Solid Waste Department shall provide technical assistance to the recycling coordinators. A progress report shall be prepared for the Executive Officer by September 30th of each following year.

Ordered this ____ day of _____, 1991.

DRAFT

*Attachment A to
Executive Order 47*

**METROPOLITAN SERVICE DISTRICT
WASTE REDUCTION & RECYCLING PROGRAM**

July 31, 1991

IN-HOUSE WASTE REDUCTION AND RECYCLING PROGRAM GUIDELINES

REDUCE

1. Prepare executive summaries for lengthy documents. Provide entire document only upon request.
2. Proofread documents electronically before printing.
3. Keep mailing lists current.
4. Use smaller type face to reduce document length.
5. Reduce the size of council and other committee agenda packets by incorporating only essential materials. Send agenda only, and packet upon request.
6. Print only essential copies of reports and documents. Route correspondence and periodicals.
7. Print double-sided copies.
8. Require double-sided copying of all bid documents submitted by contractors.
9. Purchase copiers that make double-sided printing easy and convenient.
10. Purchase computer printers that copy double-sided and eliminate the use of "lead sheets" if technically feasible.
11. Use alternatives to paper communication, such as voice mail, electronic mail and FAX machines.
12. Reduce number of directories (e.g., phone books) distributed.
13. Use centralized files.
14. Avoid overly-packaged food/beverages for in-house meetings and use permanent-ware dishes.
15. Choose landscape designs that require low maintenance and little water.
16. Require use of "mulching mowers" by landscape contractors at all facilities.

REUSE

1. Promote "waste exchanges" between departments and between facilities.
2. Reuse permanent-ware dishes for meetings and employee needs.
3. Reuse office supplies, packaging material and cardboard boxes.
4. Use out-dated letter head for in-house memos.
5. Recharge fax and printer cartridges.
6. Use refillable rather than disposable pens and pencils.
7. Reuse computer software by donating older versions to schools and/or other non-profit organizations.
8. Use rechargeable batteries.
9. Salvage building materials for reuse at Metro facilities or for outside users.
10. Collect reusable paper and donate to schools, day care centers and other community centers.
11. Install reusable furnace and air conditioner filters.

RECYCLE

1. Recycle office paper including white and colored ledger, mixed waste paper and magazines/catalogues.
2. Use uniform recycling containers and consistent signage for office paper programs.
3. Recycle newsprint, corrugated cardboard and kraft paper.
4. Recycle container glass, tin, recyclable plastics and scrap metal.
5. Recycle copier cartridges.
6. Recycle yard debris.
7. Recycle construction/demolition debris.
8. Recycle lead-acid batteries, latex paint and motor oil.

9. Recycle phone books.
10. Print agency documents on recycled and recyclable paper.
11. Procure paper shredder for Metro Center, MERC and the Zoo. Shredded "sensitive" documents are recyclable.
12. Use products that can be recycled and avoid non-recyclable products such as post-it notes and yellow writing pads.
13. Set up a model recycling center in new building. Require tenants to set up recycling programs.
14. Recycle programs, brochures, advertisements at conferences and special events.
15. Require recycling plans from contractors/bidders, as appropriate, and include as an evaluation criterion.
16. Work with Solid Waste Department to route loads of organic waste to Riedel composter.
17. Require contractors to have grass clippings and prunings composted.

PROCUREMENT

1. Purchase recycled paper with 50 percent recycled fiber including at least ten percent post-consumer waste. Ensure price preference is consistent with state law which allows up to a 12 percent state agency purchasing preference for office paper. Label paper to indicate it is recycled.
2. Purchase yard debris compost and sewage sludge compost for soil amendments or other purposes as required by Metro Resolution No. 89-303.
3. Purchase retread tires for Metro vehicles as required by Metro Resolution No. 89-1099.
4. Establish a policy on the purchase of recycled latex paint and implement when product is available and meets specifications.
5. Establish and implement a policy for purchase of recycled oils as required by state legislation.

6. Purchase other products, such as plastic lumber, building insulation materials, and general office products made from recycled materials when they meet performance standards.
7. Comply with the minimum five percent price preferences for recycled products other than paper, as required by state statute. Examine higher percentages on a case-by-case basis.
8. Require contractors to submit documents on paper with recycled content. Require contractors to use other recycled or recyclable products, such as yard debris compost, recycled oil, retread tires, and plastics, as appropriate.
9. Purchase recycled materials jointly with other Metro departments and facilities to increase size of orders and cost competitiveness.
10. Set up a management information system to track the purchases of recycled products.
11. Investigate centralized purchasing for Metro Center and other facilities.

EMPLOYEE MOTIVATION AND TRAINING

1. Provide information and training on Metro's recycling program for new employees through an employee's orientation packet. Include Metro brochures on recycling at home.
2. Designate a recycling team leader for each department and/or facility to train new employees and to promote/monitor recycling activities. (See Coordination and Administration section.)
3. Establish a unifying theme and title for the In-House Waste Reduction and Recycling Program.
4. Use promotional techniques such as kick-off events, banners, signs, buttons and contests to encourage employee participation and interest in the program.
5. Prepare a handbook with recycling goals and programs for each Metro facility. Include in new employee's orientation packet.
6. Provide feed-back to employees on the progress of waste reduction programs through the Employees Express and other announcements.
7. Install an employee's suggestion box at all facilities for recycling ideas.

8. Provide clear signage and instructions at recycling areas. Keep instructions simple and uniform. Use visual displays whenever possible.

COORDINATION AND ADMINISTRATION

1. The Executive Officer will designate a recycling coordinators for Metro Center, Metropolitan Exposition and Recreation Commission facilities and the Metro Washington Park Zoo to be responsible for implementing the waste reduction and recycling guidelines. Coordinators should have adequate authority and resources to carry out their responsibilities. The Waste Reduction Division shall provide technical assistance at all facilities as necessary.
2. Department heads will select team leaders from departments and/or facilities to be responsible for recycling operations and program monitoring. Metro's Recycling Program organizational structure shall include representation from each facility as follows:

METRO CENTER

Recycling Coordinators, Regional Facilities and Finance and Management Information Departments

Team Leaders: Council Office
 Executive Management/Office of General Counsel
 Planning and Development
 Public Affairs
 Solid Waste Department
 Solid Waste Facilities
 Transportation

MERC FACILITIES

Recycling Coordinator, Assistant to MERC Manager of Operations

Team Leaders: Memorial Coliseum/Civic Stadium
 Operations
 Special Events
 Administration
 Portland Center for the Performing Arts
 Oregon Convention Center

METRO WASHINGTON PARK ZOO

Recycling Coordinator, Facilities Management Division

Team Leaders: Administration/Marketing
 Educational Services
 Animal Management
 Visitors Services
 Construction
 Friends of the Zoo

3. Recycling coordinators and team leaders shall meet at least quarterly and shall be responsible for the following:
 - ◆ Develop a strategy and schedule to meet all objectives of Executive Order No. 47 recycling program guidelines.
 - ◆ Monitor performance on all guidelines and assist in implementation.
 - ◆ Prepare an annual progress report for the Executive Officer due by the end of the first quarter of each fiscal year. Report is timed to enable consideration of budget needs prior to each budget cycle, and to allow adequate time to collect year-end results on recycling and recycled product purchases.

4. Recycling coordinators shall meet at least quarterly and shall be responsible for the following:
 - ◆ Monitor and evaluate results of facility recycling programs.
 - ◆ Prepare cost estimates and budget recommendations.
 - ◆ Coordinate with the Executive Officer and Council to develop and implement policies, as necessary.
 - ◆ Plan and implement Metro-wide recycling education and promotion programs.

EVALUATION AND MONITORING

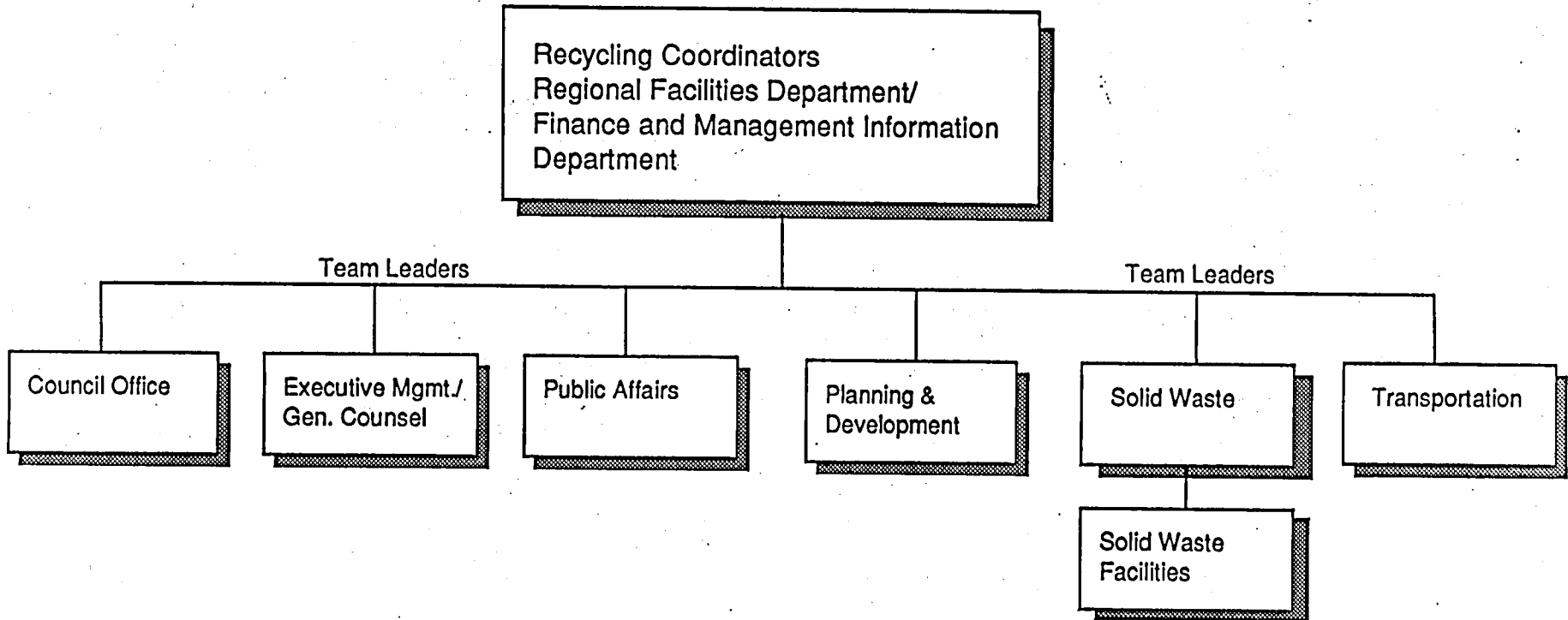
1. Establish baseline data using the initial waste audit.

2. Collect data monthly and report quarterly. Team leaders/recycling coordinator, depending on the nature of the activity, shall collect data. Recycling coordinators shall develop reporting forms and prepare quarterly progress reports for their facility. Reports may include the following information, as appropriate.
 - ◆ Tonnage disposed at each facility
 - ◆ Estimates of quantities recycled by material, at each facility
 - ◆ Extent of participation
 - ◆ Description of activities
 - ◆ Capital and operating costs
 - ◆ Records of recycled product purchases

3. Conduct annual waste audits at each facility to evaluate progress and make recommendations. These audits shall be conducted by staff from the Waste Reduction Division of the Solid Waste Department, in cooperation with facility managers.
4. Review guidelines annually and amend as necessary.

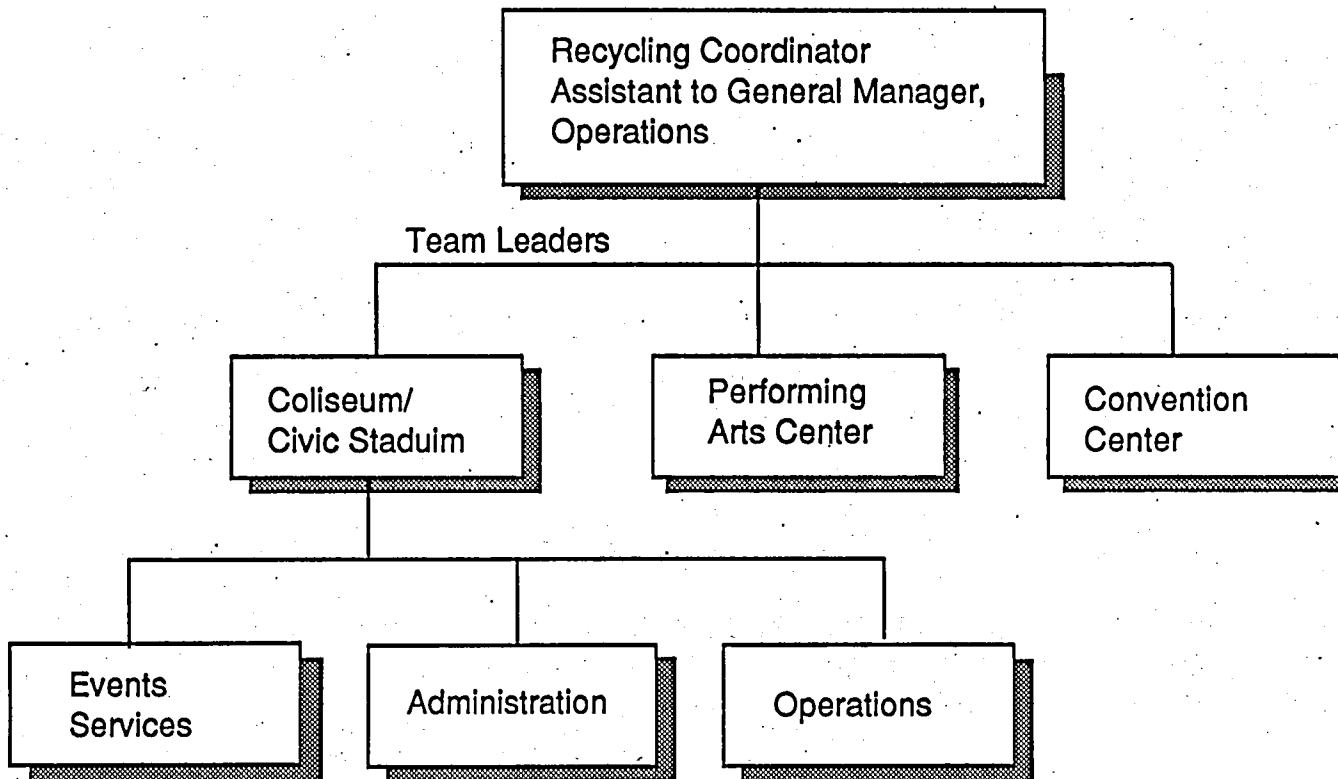
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August 5, 1991
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Metro Center In-House Recycling Program Organization Chart

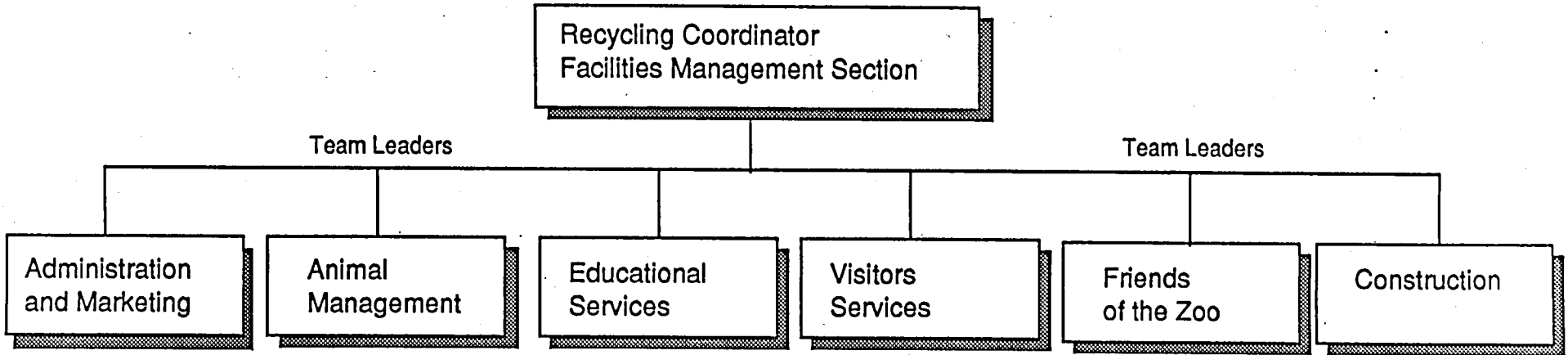


Metropolitan Exhibition and Recreation Commision facilities

In-House Recycling Program Organization Chart



Metro Washington Park Zoo In-House Recycling Program Organization Chart



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METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: September 16, 1991

To: Paulette Allen, Council Clerk

From: Daniel B. Cooper, General Counsel

Regarding: Riedel Composting Facility Public Records Request
Our file:

Rena Cusma has received the enclosed request for a Public Records Act disclosure of Metro's records concerning the Riedel Composting Facility. A portion of the request is for minutes and recordings of meetings of the Metro Council and any committees or subcommittees, and would include all documents, staff reports, etc., considered by the Council or committees related to the Riedel Composting Facility.

I have had a conversation with Mr. Bulkley regarding how Metro will proceed to respond to his request and he has agreed that as a preliminary response he would appreciate receiving from this Office an inventory listing of all of the documents that we have in our possession.

Therefore, would you please prepare for me, for me to furnish to Mr. Bulkley, a summary list of the minutes and recordings still in your possession regarding Council meetings, committee or subcommittee meetings, where the Riedel Composting Facility was considered and what records are available.

gl
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Enclosure

cc: Rena Cusma
Don Carlson ✓
Bob Martin

MARKOWITZ, HERBOLD, GLADE & MEHLHAF, P.C.

ATTORNEYS AT LAW
300 BENJ. FRANKLIN PLAZA
ONE S.W. COLUMBIA
PORTLAND, OREGON 97258
(503) 295-3085

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ROBERT D. BULKLEY, JR.
PETER H. GLADE
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HOLLIS K. McMILAN
WILLIAM N. MEHLHAF
LYNN R. NAKAMOTO
LYNN R. STAFFORD

COPY ALSO A MEMBER OF
THE WASHINGTON STATE BAR

September 10, 1991

RECEIVED

SEP 11 1991
METRO SERVICE DISTRICT
EXECUTIVE MANAGEMENT

Rena Cusma, Executive
Metropolitan Service District
2000 SW First
Portland, OR 97201

RECEIVED

SEP 13 1991

Re: Riedel Composting Facility

TIME: 3:40 P.M.
METRO SERVICE DISTRICT
OFFICE GENERAL COUNSEL

Dear Ms. Cusma,

Pursuant to the Public Records Act, ORS 192.410 through ORS 192.505, I request an opportunity to inspect Metro's records concerning the Riedel composting facility on N.E. Columbia in Portland from the first consideration of such a facility to the present. This request includes records of negotiations, including drafts of agreements and agreements actually reached; minutes and any recordings of meetings of the Metro Council and any committees or subcommittees; staff memoranda; public comments; correspondence with Riedel entities, their agents or employees; correspondence with anyone else; and all other records in Metro's possession.

Before complying with this request, please let me know what records are available and what fees are involved. Thank you for your attention.

Sincerely,

Robert D. Bulkley, Jr.
Robert D. Bulkley, Jr.

cc: Chris Angius



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

October 1, 1991

**John Houser, Council Analyst
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398**

**Executive Officer
Rena Cusma**

Metro Council

**Tanya Collier
Presiding Officer
District 9**

**Jim Gardner
Deputy Presiding
Officer
District 3**

**Susan McLain
District 1**

**Lawrence Bauer
District 2**

**Richard Devlin
District 4**

**Tom DeJardin
District 5**

**George Van Bergen
District 6**

**Ruth McFarland
District 7**

**Judy Wyers
District 8**

**Roger Buchanan
District 10**

**David Knowles
District 11**

**Sandi Hansen
District 12**

Dear John:

Re: Riedel Compost Facility

This letter responds to your memorandum dated September 10, 1991, regarding the Riedel Compost Facility. I understand that your memorandum of September 10, 1991, was stimulated by questions asked of you by Councilor Van Bergen.

Under the terms of the Service Agreement authorized by the Metro Council and entered into by and between the Metropolitan Service District and Riedel Oregon Compost Company, Inc., dated August 16, 1989, Metro has issued bonds in the amount of \$25,105,000 to finance a portion of the capital costs of the Riedel compost facility. Councilor Van Bergen's questions and your questions relate to Metro's liability for retirement of the debt issued to construct the compost facility.

Pursuant to the terms of the Service Agreement and Metro Council Ordinance No. 89-320, Metro's obligation to pay debt service on the bonds is limited to a fee for services arrangement. That is, Metro's obligation to pay debt service is conditioned upon the compost facility operating within the parameters set forth in the Service Agreement and Metro receiving a service from the compost facility. If, for any reason other than "Metro Fault" or "Uncontrollable Circumstance" as defined in the Service Agreement, the facility does not operate then Metro is under no obligation to pay a service fee to Riedel and has no obligation to pay debt service on the bonds. Thus, if the facility is closed by Riedel because of financial difficulties, or the Service Agreement is disavowed by a Trustee in Bankruptcy, Metro will have no obligation to pay off the bonds.

The bonds sold to finance the project are supported by a "credit facility" issued by Credit Suisse, a Swiss bank acting by and through its New York branch. In

John Houser
Page 2
October 1, 1991

the event that the facility does not comply with its Service Agreement and Metro is relieved of its obligation to make payments, the bonds are guaranteed by Credit Suisse. Credit Suisse has limited, but specific, rights to assume the operation of the facility and has been assigned by Riedel, Riedel's rights under the Service Agreement with Metro. In the event of failure by Riedel to successfully operate the facility, Credit Suisse has the right to take over the facility from Riedel, find another operator thereof, and continue the stream of payments from Metro by making sure that the facility operates consistent with the Service Agreement.

I believe the above answers the first two questions you have asked.

Your third question is under what conditions could Metro assume operational control over the facility, and if it should do so, what obligations would Metro assume regarding debt retirement and payment of continuing operational costs.

Metro's contractual rights as set forth in the Service Agreement are limited to a right of first refusal in the event Riedel seeks to sell the facility and an option to purchase the facility at the end of the initial term of the Agreement. In either event, Metro would be obligated to pay Riedel a fair market value for the facility. Such a payment would necessarily need to be financed in all probability by the issuance of new Metro system revenue bonds and the retirement of the existing debt from those proceeds. Metro also could exercise its statutory rights to condemn the property upon payment of fair market value under similar circumstances.

Metro, however, does not have a right to assume operational control of the facility under the existing debt arrangements and continue to make payments under the existing bond documents.

If you have any further questions in this regard, please let me now.

Yours very truly,

DANIEL B. COOPER

Daniel B. Cooper,
General Counsel

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METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

DATE: October 15, 1991
TO: Council Solid Waste Committee
FROM: *BM* Bob Martin, Solid Waste Director
RE: Monthly Financial Management Report

The attached financial report highlights relevant activities, tonnage disposed, revenues generated and spending within the Solid Waste Revenue Fund for the period July 1991 through August 1991. The report will show that the amount of solid waste disposed within the Metro region is down by 19 percent from our budgeted estimates for this period. As a result, revenues are also down but by a smaller amount, 16 percent, due mainly to the structure of Metro's disposal rates. All expenditures, including interfund transfers, remain within budget and within the revenue stream generated.

cc: Roosevelt Carter
Jennifer Sims

**METROPOLITAN SERVICE DISTRICT
SOLID WASTE DEPARTMENT
August 1991**

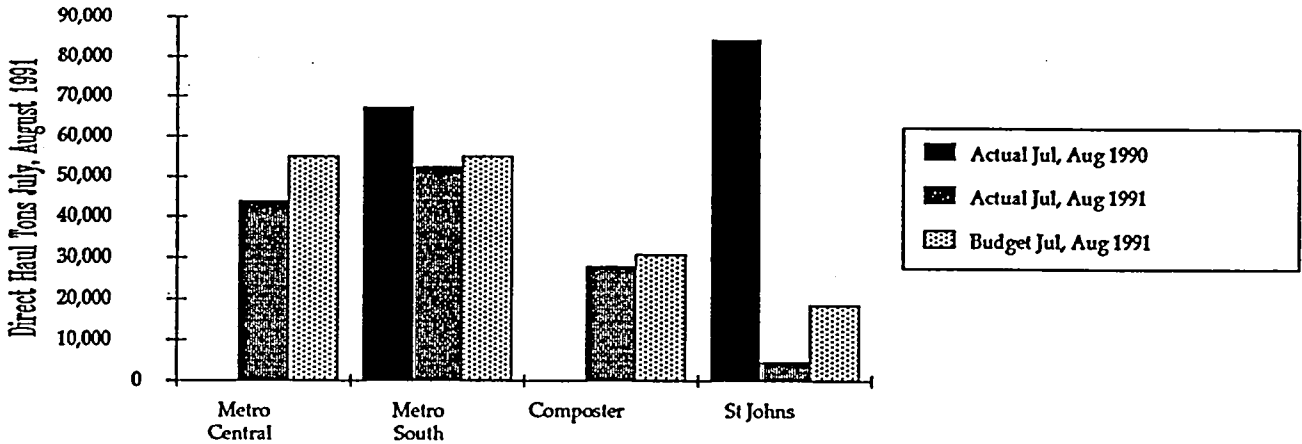
TONNAGE ACTIVITY

The amount of solid waste disposed at Metro facilities during July and August 1991 is down by 30,000 tons (19%) from our original expectations. Some waste has shifted to non-Metro facilities due to price advantages. Installation of weighing equipment at the non-Metro facilities on October 1 may cause a small reversal of this shift since Metro's disposal prices will be more competitive. Other reasons for this reduced waste disposal activity may include increased waste reduction and factors associated with the state of the economy.

TABLE 1: TONS DIRECTLY HAULED TO EACH METRO FACILITY

	Actual August	Actual YTD	Budget YTD	Actual YTD minus Budget YTD Over/(Under)	YTD Percent Variation
Metro Central TS	21,781	43,861	55,088	(11,227)	-20.4%
Metro South TS	25,868	52,567	55,141	(2,574)	-4.7%
Composter	14,119	28,006	30,833	(2,827)	-9.2%
St Johns LF	2,679	4,738	18,470	(13,732)	-74.3%
TOTAL	64,447	129,172	159,532	(30,360)	-19.0%

**CHART 1: TONS DIRECTLY HAULED TO METRO FACILITIES
(JULY AND AUGUST 1991)**



The budget estimate of St Johns tonnage was based on historical data on the amount of non-putrescible waste going to the landfill. However, after rates were increased for fiscal year 1991-92, most of this material appears to have gone to the Hillsboro Landfill rather than to the St Johns Landfill.

REVENUE GENERATION

The reduction in disposed tons translates to a \$1.7 million drop (16%) in expected revenues for the fiscal year to date (YTD), July through August 1991. The percentage drop in revenues is slightly less than the drop in tonnage due to Metro's rate structure which enables Metro to collect the Regional User Fee (Tier One) on tons that have shifted to non-Metro facilities. As should be expected, the percentage drop in tons correlates precisely to the the percentage drop in revenues at each facility. Note that the drop in expected non-Metro Facilities' revenue (1.9%) is much less than at Metro facilities (16.8%) due to the shift in tons away from Metro.

**METROPOLITAN SERVICE DISTRICT
SOLID WASTE DEPARTMENT
August 1991**

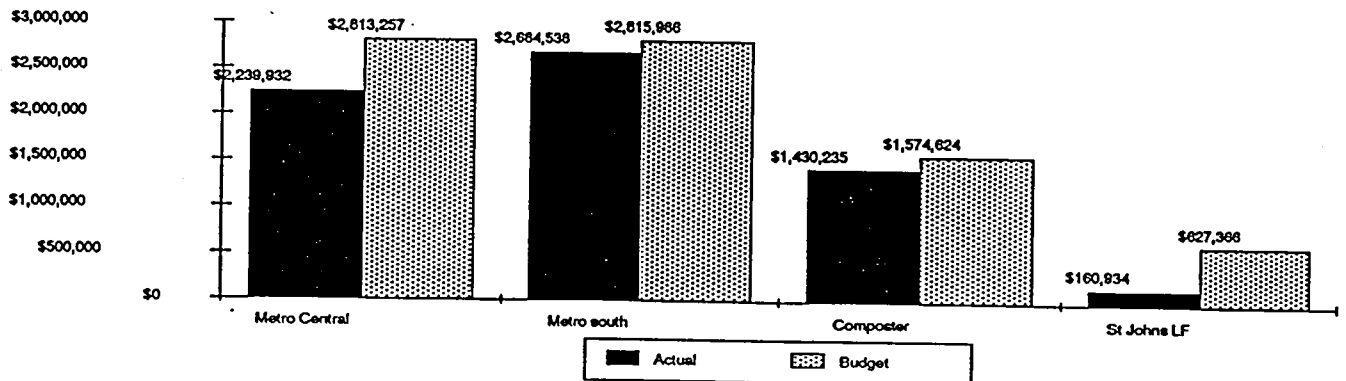
REVENUE GENERATION (Continued)

TABLE 2: REVENUES BY FACILITIES

	Actual August	Actual YTD	Budget YTD	Actual YTD minus Budget YTD Over/(Under)	YTD Percent Variation
Operating Revenues					
Metro Central TS	\$1,112,331	\$2,239,932	\$2,813,257	(\$573,325)	-20.4%
Metro South TS	\$1,321,050	\$2,684,538	\$2,815,986	(\$131,448)	-4.7%
Composter	\$721,042	\$1,430,235	\$1,574,624	(\$144,389)	-9.2%
St. Johns LF	\$90,997	\$160,934	\$627,366	(\$466,432)	-74.4%
Subtotal	\$3,245,420	\$6,515,639	\$7,831,233	(\$1,315,594)	-16.8%
Other Revenues					
Metro Facilities	\$796,020	\$1,595,474	\$1,970,464	(\$374,990)	-19.0%
Non-Metro Facilities	\$376,320	\$784,387	\$799,345	(\$14,958)	-1.9%
TOTAL	\$4,417,760	\$8,895,500	\$10,601,042	(\$1,705,542)	-16.1%

"Budget YTD" is based on originally projected tonnage for July and August used to develop the current budget. Revenues include user fees, regional transfer charges, and disposal fees. They do not include pass-through fees for rehabilitation and enhancement and the DEQ orphan site account. The excise tax portion has been adjusted out. "Operating Revenues" include the Tier 2 User Fee, the Disposal Fee and the Regional Transfer Charge. "Other Revenues" represent the Tier 1 User Fee for Metro and non-Metro facilities.

CHART 2: OPERATING REVENUE BY FACILITY



Revenues are approximately 16% under budget estimates due to reduced tonnage. This is illustrated in the chart above which compares actual operating revenues to budget projections.

TABLE 3: REVENUES BY RATE COMPONENT

	Actual August	Actual YTD	Budget YTD	Actual YTD minus Budget YTD	YTD Percent Variation
Tier One User Fee	\$1,172,340	\$2,379,860	\$2,769,809	(\$389,949)	-14.1%
Tier Two User Fee	\$521,611	\$1,043,194	\$1,288,380	(\$245,186)	-19.0%
Disposal Fee	\$2,107,596	\$4,321,062	\$5,135,586	(\$904,524)	-17.6%
Regional Transfer Charge	\$616,213	\$1,241,384	\$1,407,267	(\$165,883)	-11.8%
TOTAL	\$4,417,760	\$8,895,500	\$10,601,042	(\$1,705,542)	-16.1%

**METROPOLITAN SERVICE DISTRICT
SOLID WASTE DEPARTMENT
August 1991**

EXPENSE ACTIVITY

As shown in the following table, originally expected spending at Metro facilities is down by over \$1.5 million (20%) for July and August. These savings are due mainly to reduced expenses associated with less tonnage being processed through Metro facilities.

TABLE 4: OPERATING EXPENDITURES BY FACILITY

	Actual August	Actual YTD	Budget YTD	Actual YTD minus Budget YTD Over/(Under)	Percent of Annual Budget Remaining
Metro Central TS	\$1,346,477	\$2,677,447	\$3,050,265	(\$372,818)	85.4%
Metro South TS	\$1,207,861	\$2,431,546	\$2,512,040	(\$80,494)	83.9%
Composter	\$440,464	\$804,701	\$1,609,081	(\$804,380)	91.7%
St. Johns LF	\$33,953	\$61,724	\$338,004	(\$276,280)	97.0%
Metro West TS	\$0	\$0	\$3,055	(\$3,055)	100.0%
TOTAL	\$3,028,755	\$5,975,418	\$7,512,445	(\$1,537,027)	86.7%

Expenditures at the Composter are lower than anticipated because the budget was based on facility acceptance as of July 9; this did not occur. Subsequently, certain waste disposal, debt service, and other contractual costs have not been incurred. Additional expenditures could be made pending resolution of a dispute with the contractor.

Expenditures shown above do not include non-operating costs (administrative overhead or debt service) associated with these operations. Chart 3 illustrates that operating revenues are covering operating expenditures at all Metro facilities. Operating revenues do not include revenues from tier one of the user fee Metro currently charges. Although total revenues (operating and other) are below estimates, Chart 4 illustrates that total revenues are covering total expenditures (including operating and non-operating costs).

CHART 3: YTD OPERATING REVENUES AND OPERATING EXPENDITURES

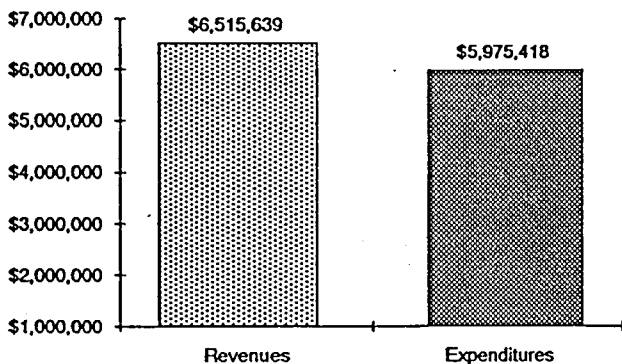
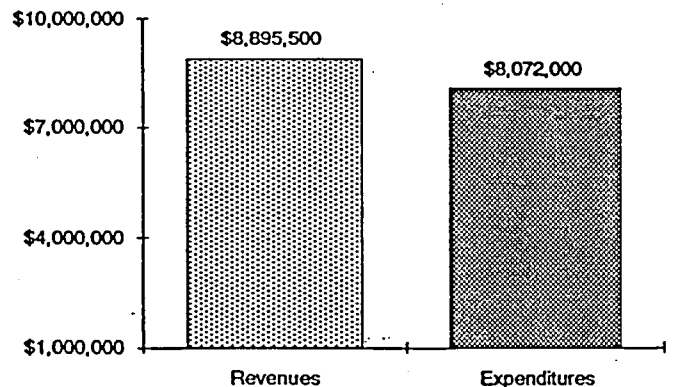


CHART 4: YTD TOTAL REVENUES AND TOTAL EXPENDITURES

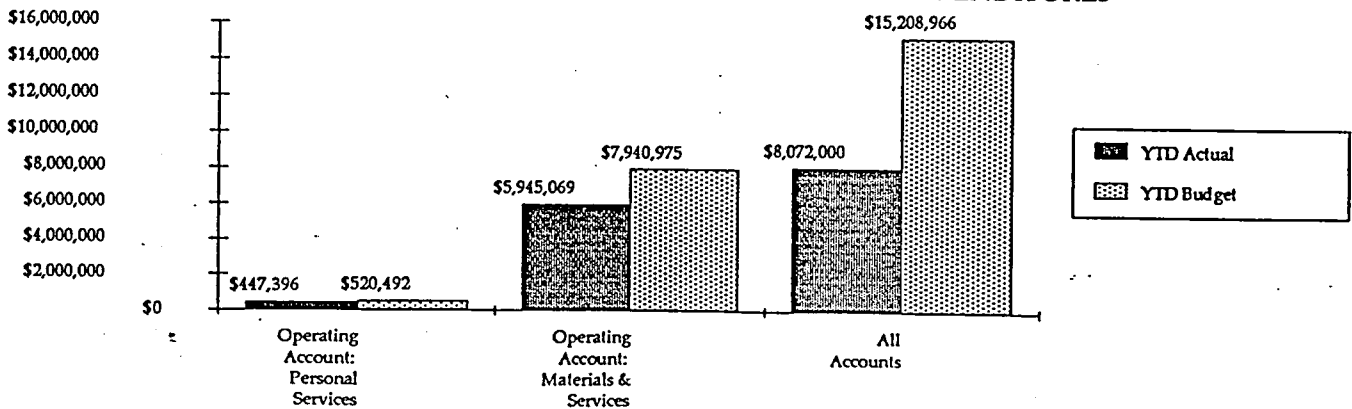


**METROPOLITAN SERVICE DISTRICT
SOLID WASTE DEPARTMENT
August 1991**

TABLE 5: EXPENDITURES IN ALL ACCOUNTS (in thousands)

	Actual August	Actual YTD	Budget for the Entire Fiscal Year	Amount of the Entire Fiscal Year Budget Remaining	Percent of the Fiscal Year Budget
OPERATING ACCOUNT					
Administration					
Personal Services	\$29	\$55	\$348	\$293	84.18%
Materials and Services	\$5	\$10	\$76	\$66	87.45%
Budget & Finance					
Personal Services	\$23	\$59	\$393	\$334	84.93%
Materials and Services	\$4	\$6	\$180	\$174	96.75%
Operations					
Personal Services	\$73	\$150	\$1,196	\$1,046	87.47%
Materials and Services	\$2,956	\$5,820	\$43,879	\$38,059	86.74%
Engineering & Analysis					
Personal Services	\$41	\$79	\$536	\$457	85.19%
Materials and Services	\$5	\$8	\$257	\$249	96.84%
Waste Reduction					
Personal Services	\$56	\$104	\$650	\$546	84.02%
Materials and Services	\$67	\$88	\$3,255	\$3,167	97.28%
Subtotal	\$3,260	\$6,379	\$50,770	\$44,391	87.44%
OTHER ACCOUNTS					
Interfund Transfers	\$0	\$1,444	\$17,743	\$16,299	91.86%
Debt Service Account	\$0	\$0	\$2,191	\$2,191	100.00%
Landfill Closure	\$0	\$0	\$10,016	\$10,016	100.00%
Subordinate Debt	\$0	\$0	\$3,033	\$3,033	100.00%
Renewal & Replacement	\$0	\$0	\$732	\$732	100.00%
Construction	\$183	\$185	\$3,525	\$3,340	94.75%
General Account Capital	\$35	\$64	\$3,245	\$3,181	98.02%
Subtotal	\$218	\$1,693	\$40,485	\$38,792	95.82%
UNAPPROPRIATED			\$23,926	\$23,926	100.00%
ALL ACCOUNTS	\$3,478	\$8,072	\$115,181	\$107,109	92.99%

CHART 5: YEAR-TO-DATE BUDGET VS YEAR-TO-DATE EXPENDITURES





METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: November 13, 1991

TO: Councilor George Van Bergen

FROM: Neil Saling, Director, Regional Facilities

SUBJECT: Construction Management Staffing and Support

You expressed concern at a recent Finance Committee meeting over charges for the additional W.R. Gamble construction management time on the Metro South Station Modifications contract. Your issue stemmed from a request to the Council by the Solid Waste Department to modify the personal services contract of SCS Engineers, the project architect-engineer firm, to pay for additional construction management services. The Construction Manager, W.R. Gamble Engineering, is a subconsultant of SCS Engineers.

The problems associated with the construction at Metro South are numerous and can be traced primarily to SCS Engineers. The firm was originally selected through the RFP process and appeared to be well qualified. A key element in their selection was their positive, progressive attitude. Metro believed that they could work well with the Metro staff on a project which required a maximum of flexibility. Unfortunately, time has shown that the firm is also somewhat disorganized and made a number of errors on the construction plans. A secondary source of problems was a hot-headed Project Superintendent for the contractor, Emerick Construction, who was replaced during the course of the project.

These specifics are, I believe, only background to your central question: with Metro staff qualified in construction practices, why is it necessary to contract for construction management services?

An oversimplified answer is that additional construction management assets are necessary to augment the small number of construction qualified Metro staff members to be able to properly represent Metro interests. However, some additional explanation is necessary.

To be effective, management of any kind must be focused. The Oregon Convention Center effort was successful because the seven-person construction management team was on-site full-time. Glenn Taylor and Steve Kelly from Metro combined with the Turner team to effectively manage that large effort. Unfortunately, Metro has not been able to duplicate this effort on all of its construction projects. Shown below is a comparison of construction projects to the authorized construction management staff for the past three fiscal years:

<u>Fiscal Year</u>	<u>Staff</u>	<u>Projects</u>
FY 89-90	Saling Porter Taylor	Africa 1 & 2 Oregon Convention Center
FY 90-91	Saling Porter Taylor Johnson/ Hillman	Africa Rainforest Oregon Convention Center Metro Central Station Metro South Station Reidel Composting Plant St. John's Landfill Planning
FY 91-92	Saling Taylor Hillman	Oregon Convention Center Follow-on Contracts St. John's Landfill Closure Metro Headquarters Metro South Household Hazardous Waste Facility Metro Central Household Hazardous Waste Facility

I believe you can see that a relatively small construction management staff has responsibility for guiding a significant construction program. I believe you can also see that there is a direct correlation between full-time attention to projects and success (Taylor-OCC/Porter-Africa Exhibits). However, in these cases there was also contracted construction management support. At the OCC, we had the Turner team and at the Zoo we had support through the architect, Guthrie, Slesarenko and Associates (GSA).

Councilor George Van Bergen

November 13, 1991

Page 3

The decision on the management of the Solid Waste Department projects was to utilize the Engineering and Analysis staff as Project Managers and use the Construction Coordinator in an advisory role. This was based to a large extent on the nature of the projects: the Reidel plant demanded largely construction oversight until the acceptance test phase, the Metro Central project was to be a turn-key project with performance specifications, leaving Metro South the only project requiring a more traditional form of construction management. The Construction Coordinator, Bill Johnson, and I on occasion were to provide part-time construction oversight. Because of the lack of a full-time, on-site Metro Construction Coordinator, the Solid Waste Department assigned two staff members as Project Managers for Metro South: one for construction management and one to coordinate the ongoing operations with construction as well as design and manage the scale construction and installation. Both Project Managers were well qualified engineers; neither had a background in construction; neither were originally available to remain on-site full-time. Accordingly, it was decided to utilize the services of a construction management consultant, W.R. Gamble Engineering, to assist on the project. Mr. Gamble is the immediate past President of the local AGC chapter and well qualified for this role. The original scope of work called for his firm to have full-time participation in the early project stages and a diminishing role as the project progressed.

Unfortunately, none of the Solid Waste projects went smoothly. The Reidel problems impacted Metro the least although Reidel was forced to hire Harris Group as construction managers after the Reidel in-house staff could not successfully oversee the Drake construction efforts.

The problems with Trans-Industries on the Metro Central project consumed virtually all of the Construction Coordinator's time in an attempt to assure that Metro would receive a facility that would meet the minimum standards. As you are aware, a number of problems were identified and corrected but the final product does not fully meet the desired performance levels.

This preoccupation with Metro Central shifted the construction management responsibility to W.R. Gamble and the Solid Waste project managers. The original scheme of diminishing time on the project for Gamble was abandoned and Gamble remained virtually full-time throughout the project. It was also necessary for me to become deeply

Councilor George Van Bergen

November 13, 1991

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involved in this project to adjudicate disputes and realign schedules as problems with weather, site conditions and changing designs impacted the progress of the work.

I believe there will be a continuing need for contract construction management support for Metro's staff. At the present time, Peter Hillman is 100% involved in the St. John's Landfill closure. As a member of Jim Watkins' staff, he is working closely with the Solid Waste staff in document preparation and project management for the closure. Glenn Taylor is also deeply involved in that project. They cannot, however, provide the full scope of management services required and contract support will be necessary. Glenn Taylor is currently assisting in the preparation of documentation and the selection of a designer-contractor team for the new Metro Headquarters. While I intend that he devote himself virtually full-time to this latter project upon award of a contract, he cannot perform all of the construction management functions alone. The decision on whether this support should be by contract or through temporary in-house assets is under review.

In sum, the Council decision in 1987 to bring construction management expertise to Metro was sound. However, the scope and complexity of the projects requires that the expertise (1) be focused on specific projects, (2) be focused early to permit generation of sound contract documents and plans, and (3) be supported with added staff to permit Metro's interests to be fully and properly protected and represented.

I am available to discuss the details of any of the foregoing at your convenience.

cc: Rena Cusma
Bob Martin
Glenn Taylor



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: December 5, 1991
To: Don Carlson, Council Administrator
From: Daniel B. Cooper, General Counsel *DBC*
Regarding: SOLID WASTE FEES
Our file: 2.§7.A

As we have discussed, ORS 459.335 provides as follows:

459.335 Use of fees collected by the metropolitan service district.

Notwithstanding any other provision of ORS 268.330 or 268.515 or section 9, chapter 679, Oregon Laws 1985, the metropolitan service district shall use moneys collected by the district as service or user fees for solid waste disposal for activities of the metropolitan service district related to solid waste and related planning, administrative and overhead costs of the district.

In addition, the provisions of Metro Ordinance No. 89-319 providing for a comprehensive scheme for financing facilities of the solid waste system legally binds the District to use solid waste revenues for the purposes of the solid waste system. In that bonds are presently issued and outstanding pursuant to the provisions of Ordinance No. 89-319, the District is legally bound to restrict the use of its solid waste revenues as long as the bonds are outstanding, notwithstanding the possible repeal of ORS 459.335 or any provisions that might be adopted in the Metro Charter allowing a more liberal use of solid waste revenues.

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