

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4803 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO AMEND A NON-SYSTEM LICENSE TO PRIDE RECYCLING COMPANY FOR TRANSPORT AND DISPOSAL OF PUTRESCIBLE WASTE AT THE COFFIN BUTTE LANDFILL LOCATED IN BENTON COUNTY OR THE COLUMBIA RIDGE LANDFILL LOCATED IN GILLIAM COUNTY

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Approval of Resolution No. 17-4803 will authorize the Chief Operating Officer (COO) to amend an existing non-system license (NSL),¹ similar to the proposed amended license attached to this resolution as Exhibit A, to Pride Recycling Company (Pride). The proposed amendments would extend the term of the NSL until December 31, 2018, and remove the use of Riverbend Landfill (Riverbend) as a disposal option. The proposed amended NSL will authorize Pride to transport up to 77,435 tons per calendar year of putrescible waste from the Metro region to the Coffin Butte Landfill (Coffin Butte) located in Benton County or the Columbia Ridge Landfill (Columbia Ridge) located in Gilliam County, Oregon. The licensee will no longer be authorized to transport putrescible waste to Riverbend located in Yamhill County, Oregon for the remaining term of the license. The proposed NSL becomes effective immediately upon issuance, and expires on December 31, 2018. It is one of five similar amendments for Metro Council consideration.²

Pride is a Metro-franchised³ solid waste transfer station located at 13910 SW Tualatin-Sherwood Road (Metro Council District 3). Columbia Ridge and Riverbend are owned and operated by Waste Management of Oregon, Inc. (Waste Management) headquartered in Houston, Texas. Coffin Butte is owned by Republic Services headquartered in Phoenix, Arizona.

BACKGROUND

On December 13, 2016, the Metro Council approved an NSL that authorized Pride to transport putrescible waste to either Columbia Ridge or Riverbend.⁴ Effective February 1, 2017, the NSL required the licensee to send its waste primarily to Columbia Ridge and use Riverbend only in certain unusual circumstances that would otherwise prevent the licensee from transporting waste to Columbia Ridge. This requirement was included in the NSL in response to limited disposal capacity and legal uncertainty regarding future expansion at Riverbend.

The NSL included a provision that authorized the Chief Operating Officer to direct each licensee to transport its waste to an alternate landfill, if necessary, to better serve the public and minimize disruption to the solid waste system. At the end of January 2017, Metro was notified that Waste Management and Republic Services had entered into a “waste swap” agreement in another part of the United States. This swap enabled Waste Management to send all of its Riverbend Metro-area customers to Coffin Butte upon Metro’s approval.

¹ NSL No. N-002-16B.

² Resolution No. 17-4802, Resolution No. 17-4804, Resolution No. 17-4805, Resolution No. 17-4806

³ Metro Solid Waste Facility Franchise No. F-002-08F

⁴ Pride Recycling Company Transfer Station (Resolution No. 16-4740).

Therefore effective February 1, 2017, the COO amended the Pride license to authorize the use of Coffin Butte, as well as Columbia Ridge. After a transition period, on April 1, 2017, Riverbend was only to be used under unusual circumstances and emergency situations that would otherwise prevent Pride from transporting waste to Coffin Butte or Columbia Ridge – provided timely and appropriate notice was given to Metro.

Adoption of Resolution No. 17-4803 would authorize the COO to amend the NSL to remove Riverbend as a disposal option and extend the NSL term an additional 18 months. The proposed NSL would authorize Pride to transport Metro-area putrescible waste to either Coffin Butte or Columbia Ridge. The proposed NSL includes a 77,435-ton limit to align it with Pride’s 2017 franchise tonnage allocation, but the NSL also authorizes the COO to make additional adjustments to the tonnage amount if necessary to align it with the franchise tonnage allocation in the future.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the issuance of an NSL authorizing the delivery of waste to Coffin Butte or Columbia Ridge. Metro staff met with Benton County officials on February 14, 2017 to discuss the waste shift from Riverbend to Coffin Butte. The county’s staff has reported that the landfill is in compliance with local requirements and the county does not object to solid waste being received from the Metro region at the landfill during the term of the NSL.

Although approval of Resolution No. 17-4803 would authorize Pride to transport waste to two landfills, the proposed NSL does not obligate either landfill to accept Metro-area waste. Additionally, adoption of the proposed resolution does not limit Metro’s ability to terminate the NSL if either landfill is unable or unwilling to accept this waste in the future.

2. Legal Antecedents

Metro Code Section 5.05.040 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will consider the following factors to the extent relevant to such determination.

- (1) The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

The disposal sites (Columbia Ridge and Coffin Butte) are well known to Metro. The disposal sites are owned and operated by major, nationally-integrated solid waste companies: one of which serves as Metro’s disposal contractor and one serves as Metro’s contract operator of the Metro South Transfer Station in Oregon City. Columbia Ridge is a permitted RCRA Subtitle D⁵ landfill since 1993. Coffin Butte first came into use during the 1940s and became a permitted RCRA Subtitle D landfill in 1993.

The environmental risk associated with the use of these disposal sites is regulated by the appropriate local and state authorities. It has been Metro’s practice to rely on the local land use authority and the

⁵ Subtitle D landfill standards are established nationally under the Resource Conservation and Recovery Act (RCRA).

state environmental agency to determine whether environmental or human health risks posed are known, reasonable and appropriate.

- (2) *The non-system facility owner's and operator's regulatory compliance record with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations;*

Waste Management owns and operates Columbia Ridge and Republic Services owns and operates Coffin Butte. Metro staff's investigation of both Waste Management and Republic Services has revealed a good record of compliance with local and state agencies responsible for health, safety, and environmental regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Both Coffin Butte and Columbia Ridge use operational practices and management controls that are typical of RCRA Subtitle D landfills. Staff at the DEQ considers the operational practices and controls in place at these landfills to be appropriate for the proper management of waste disposal and adequate for the protection of health and the environment.

- (4) *The expected impact on the region's recycling and waste reduction efforts;*

The proposed license authorizes the transport and disposal of putrescible solid waste, which currently has limited recovery potential. The license puts no long-term constraint on the waste should recovery alternatives emerge for the region. Thus, approval of the proposed license renewal is not expected to impact the region's recycling and waste reduction efforts.

- (5) *The proposed non-system license's effect with Metro's existing contractual arrangements;*

Through 2019, Metro has a contractual agreement to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The proposed NSL covers putrescible waste that will be delivered to either Columbia Ridge (which is owned and operated by Waste Management) or Coffin Butte. Waste Management and Metro agreed that the waste diverted to Coffin Butte under this NSL would count toward the 90 percent flow guarantee and be calculated in determining Metro's disposal rate.⁶ Thus, approval of this NSL will not conflict with Metro's disposal contract or any other of its existing contractual arrangements.

- (6) *The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations; and*

Pride is currently in compliance with its Metro-issued Franchise and NSL. The applicant has not had any compliance issues with regard to Metro regulations within the last two years. Additionally, Pride has

⁶ Amendment No. 10 to disposal contract between Metro and Waste Management, April 21, 2017.

had no violations related to public health, safety or environmental regulations during the term of the existing license.

(7) *Any other factor the Chief Operating Officer considers appropriate.*

The proposed NSL authorizes the transport of up to 77,435 tons per year of putrescible waste to Coffin Butte and Columbia Ridge for the remainder of 2017 and calendar year 2018. In the event that Metro later amends the franchise tonnage authorization, the COO may also amend Section 2 of the NSL as necessary to make it the same as the annual tonnage authorization in the franchise. This provision, which is carried forward from the current NSL, allows for the COO to administratively match the NSL tonnage authorization with that of the franchise when necessary.

3. Anticipated Effects

The effect of Resolution No. 17-4803 will be to amend an NSL authorizing Pride to transport up to 77,435 tons per calendar year of putrescible waste to either Coffin Butte or Columbia Ridge for disposal. The proposed NSL would extend the current termination date from June 30, 2017 to December 31, 2018.

4. Budget Impacts

Coffin Butte is owned and operated by Republic Services and, for the term of this license, waste delivered to the landfill under this NSL will be treated as though it was delivered to a Waste Management landfill.⁷ Columbia Ridge is owned and operated by Waste Management and this NSL will not impact Metro's obligations under its disposal contract. The regional system fee and excise tax will continue to be collected on Metro-area waste delivered to Columbia Ridge and Coffin Butte under the proposed NSL.

RECOMMENDED ACTION

The COO recommends approval of Resolution No. 17-4803, finding that the license extension and amendment satisfies the requirements of Metro Code Chapter 5.05. Approval of Resolution No. 17-4803 will authorize the COO to issue an NSL, similar to the one attached to the resolution as Exhibit A, to Pride for an 18-month period commencing immediately upon issuance and expiring on December 31, 2018.

RB/HR

⁷ Amendment No. 10 to disposal contract between Metro and Waste Management, April 21, 2017.