

METRO COUNCIL

Work Session Worksheet

PRESENTATION DATE: November 7, 2017

LENGTH: 70 Minutes

PRESENTATION TITLE: Solid Waste Roadmap: Food Scraps Policy

DEPARTMENT: Property & Environmental Services

PRESENTER(S): Pam Peck, Program Manager (ext. 1866) and Jennifer Erickson, Principal Solid Waste Planner (ext. 1647)

WORK SESSION PURPOSE & DESIRED OUTCOMES

- **Purpose:** To provide Council with an overview of the mandatory food scraps separation ordinance and associated administrative rules that will come before them on November 30 and December 7, 2017 and to present the public comment report and any changes made to the policy based on comments received.
- **Desired outcome:** Direction from Council on:
Additional information needed or desired changes to the policy prior to public hearing on the Ordinance scheduled for November 30, 2017. Additional information needed or desired changes.

TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

Topic background. Metro's Solid Waste Roadmap is a work program consisting of six interrelated projects that will help define the region's solid waste system in the future. The purpose of the Food Scraps Capacity Development work, one of the six projects, is to develop alternatives for answering the question of what actions should Metro take to accelerate recovery of food scraps and ensure there is adequate and proximate capacity to transfer and process food scraps collected from the region's residents and businesses.

This effort is ultimately intended to help ensure the region has a sustainable food scraps recovery system: one that generates enough high quality material to make processing facilities economically viable, has an adequate transfer system, and has enough stable processing capacity to allow growth in the collection of food scraps from the region over time.

Food is the single largest component of the region's disposed waste. This factor and the environmental benefits of recovering food are the reasons it is identified as a primary material for recovery within the region's Regional Solid Waste Management Plan (RSWMP). **Framing the discussion.** In November, 2014, staff proposed to Council that the focus begin with businesses because more than half of the food disposed in the Metro region is from businesses. In addition, food scraps generated by businesses tend to be cleaner, are concentrated in larger quantities and come from a smaller set of sources. For example, the majority of food scraps in the region are produced by about 2,700 businesses. By comparison, residential food scraps are spread across the region's approximately 675,000 households.

Council reviewed the region's current commercial food scraps recovery, and staff introduced some potential paths forward to ensure that the region has a stable and sustainable food scraps transfer and processing system for the long term.

At that meeting, Council confirmed its desire to accelerate the region's recovery of food scraps and its wish to process those food scraps in or as close to the region as possible. The direction Council gave in November, 2014 led staff to develop a suite of options for accomplishing those goals.

In July, 2015, staff returned for part two of the discussion, which was a narrowing of the suite of options. Council went through a decision-tree process in which it answered the following questions:

To accelerate recovery, address supply barriers and attract local processing capacity, should Metro explore:

1. How to get more businesses to separate their food scraps for recovery?
2. Determining which transfer stations should manage food scraps?
3. Securing local processing capacity?

Councilors answered "yes" to all three.

In October of 2016, staff presented a series of options that Council could consider to meet the objectives listed above. The options were illustrated in a continuum that demonstrated that as the strength of the policy options increased, from voluntary to mandatory, the potential to increase recovery and secure local processing capacity also increased.

After consideration, Council determined that in order to increase food scraps recovery and attract stable, local processing capacity, the region should:

1. Require certain businesses to separate their food scraps for recovery and eventually ban the disposal of food.
2. Determine how to efficiently collect and deliver food scraps for processing.
3. Secure local and stable processing capacity.

Based on Council direction, staff has developed draft policies and initiatives to fulfill these three objectives. Below is a brief description of the work completed and the stakeholder engagement process. At this work session, staff will be presenting the Business Food Scraps Separation Requirement policy and associated legislation.

Business Food Scraps Separation Requirement

The draft policy and administrative rules were crafted over a nine-month period by: Metro staff from Property and Environmental Services and the Council Office; representatives from Clackamas County, Gresham, Portland, Washington County, Beaverton and Oregon DEQ, as well as the Office of Metro Attorney. The draft policy would require local governments within the region to adopt a mechanism for requiring separation of food scraps by certain business types. The objective is to design a policy that provides clarity and consistency for the affected businesses and, at the same time, allows for some implementation flexibility for local governments.

The key elements are:

- The policy would require, by July 2018, that local governments inside the Metro boundary adopt an enforceable mechanism (such as a code amendment, business license requirement) that requires that food service businesses separate food scraps from other waste and recyclables.
- The policy allows for local government flexibility in program implementation (e.g., geographically, by hauler franchise, areas of business concentration, etc.), in a manner that makes sense locally as long as programs meet regional performance standards. Governments may also, on a limited basis, grant waivers to businesses who are unable to comply.
- The policy would be rolled out in three phases beginning with businesses that generate the most food scraps and would affect approximately 3,000 businesses in the region overall. This represents about 4 percent of the overall business community.
- The first phase would begin in March 2019 (businesses that generate 1,000 pounds or more of food scraps per week), phase 2 in March 2020 (businesses that generate 500 pounds or more per week), and phase 3 in September 2021 (schools and businesses that generate 250 pounds or more per week).
- Staff will also present a resolution for Council consideration concurrent with the policy Ordinance, conveying an intent to implement a food scraps disposal ban in 2023 or after, based on an assessment of implementation of the required separation policy.
- Metro would provide funding to support program rollout to assist local governments and businesses with implementation (staffing, education, business assistance and needed infrastructure).

Processing Capacity Procurement

Staff has also been working to complete a procurement for local food scraps processing capacity. A two-step procurement process began in 2016 with a Request for Qualifications. This first step was intended to narrow the field of firms to those with proven technologies and financial viability. The second phase was a formal Request for Proposals issued to pre-qualified firms and opened to others as long as they could also meet the same pre-qualification standards. We received six responsive proposals, will be conducting interviews with the top two firms in early November and expect to issue a notice of award in early 2018.

Efficient Collection and Delivery of Food Scraps

Until a processor is selected and the location is known, it is difficult to determine which portions of the region will be underserved. Currently two transfer stations accept commercial food scraps: publically-owned Metro Central, and privately-owned Willamette Resources Inc. Until future planned modifications are complete, Metro South Station cannot accommodate commercial food scraps. This leaves a significant service gap in the Metro region—most notably in Western Washington County and portions of East Multnomah County.

The policy allows for local governments to receive temporary distance waivers in cases where transfer or processing services are not within a reasonable distance. Metro staff will continue to pursue options for provision of equitable transfer services for the region using both public and private facilities.

Cost Mitigation Options

Council also asked staff to explore options for mitigating the costs that a mandatory program would entail. Aside from continuing to support local governments with funds for technical assistance staff who help businesses with program setup and training, Metro staff has studied program costs and elements required to maximize collection efficiencies, worked with local government partners to discuss rate-setting best practices, and developed options for spreading program costs across the solid waste system. These options, as well as Metro and local government roles in cost mitigation will be discussed with Council at the work session.

Stakeholder Engagement

A robust stakeholder engagement process has been underway since May of 2016. Below is a list of the engagements to date:

- 360 businesses surveyed
- 8 Industry Professional Associations, Organizations or Committees
- 12 one-on one meetings with businesses
- 20 City Councils and County Commissions
- 8 Chambers of Commerce
- 12 food rescue agencies
- Regional City Managers
- Regional Mayors and Chairs
- State and county health departments and regulators
- MPAC
- SWAAC

In addition, the first of two 30-day public comment periods ended on October 20, 2017. Letters were sent to over 2,000 potentially-affected businesses to inform them of the policy and to invite comments. Metro also produced 1,000 postcards for local government partners to hand out to businesses. At the close of the first comment period, 38 comments were received:

- 21 were supportive of a mandatory policy
- 1 was opposed
- 5 had general questions or information requests
- 8 had some concerns or requested clarifying edits to the policy
- 3 comments were neutral or not applicable

A complete public comment report is being developed by staff and will be provided to Council prior to the work session. A second draft of the Ordinance Administrative procedures will also be produced illustrating any changes made based on the comments received.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Do you have comments or questions about the draft policy Ordinance and Administrative Rules?
2. Are there perspectives or issues we are missing?
3. What are your thoughts on potential cost mitigation options?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION ☒ Yes ☐ No

DRAFT IS ATTACHED ☒ Yes ☐ No

These are second drafts of both the Ordinance and the Administrative Rules based on public comments received before the close of the first public comment period on October 20, 2017. A complete public comment report and comment log will be completed within the next two weeks. A second public comment period and a public hearing on solely the Administrative Rules will be conducted pursuant to Metro Code Chapter 5.01.280 in December 2017/January 2018.