

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4841 FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO ARROW SANITARY SERVICE, INC FOR TRANSPORT OF YARD DEBRIS MIXED WITH RESIDENTIAL FOOD WASTE AND COMMERCIAL FOOD WASTE TO THE WEST VAN MATERIAL RECOVERY CENTER LOCATED IN VANCOUVER, WASHINGTON FOR TRANSFER TO THE DIRT HUGGER COMPOSTING FACILITY LOCATED IN DALLESPOUR, WASHINGTON

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Approval of Resolution No. 17-4841 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), similar to the proposed license attached to this resolution as Exhibit A, to Arrow Sanitary Service (Arrow). The proposed NSL will authorize Arrow to annually deliver a combined total of up to 13,000 tons per calendar year of yard debris mixed with residential food waste and commercial food waste from the Metro region to the West Van Material Recovery Center (West Van) located in Vancouver, Washington for transfer to the Dirt Hugger composting facility located at 168 US 197 in Dallesport, Washington. The proposed NSL is a renewal of an existing license that is set to expire on December 31, 2017.¹

BACKGROUND

Overview

The applicant seeks renewed authorization to transport residential food waste mixed with yard debris and commercial food waste generated within the Metro region to a non-system facility, West Van, for transfer to the Dirt Hugger facility for composting. Both facilities are located outside the region. Metro Code Section 5.05.025 prohibits any person from transporting solid waste to non-system facilities without an appropriate license from Metro. The proposed NSL is subject to Metro Council approval because it involves putrescible waste (food waste).

The Applicant

Waste Connections, Inc., headquartered at 3 Waterway Square Place, in The Woodlands, Texas, is the parent company that owns both Arrow and West Van.

Arrow has been authorized to transport yard debris mixed with residential food waste and commercial food waste from the Metro region to the West Van for transfer to the Dirt Hugger composting facility since 2014 under a Metro NSL. The current license will expire December 31, 2017. The licensee transported approximately 1,660 tons to West Van in calendar year 2016, and about 1,395 tons through September of calendar year 2017.

On October 10, 2017, Arrow submitted a complete application to Metro requesting renewed authorization to transport a combined total of up to 13,000 tons of food waste (6,500 tons residential yard debris mixed with food waste and 6,500 tons commercial food waste) to West Van for transfer to

¹ NSL N-029-15(3)
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the Dirt Hugger facility for composting.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition.

2. Legal Antecedents

Metro Code Section 5.05.040 provides that a waste hauler may transport solid waste generated within Metro to any non-system facility only by obtaining an NSL. Metro Code further requires applications for NSLs for putrescible waste (such as food waste) to be reviewed by the COO and are subject to approval or denial by the Metro Council. Under Metro Code Subsection 5.05.043, the Council shall consider the following factors to the extent relevant to determine whether or not to issue an NSL:

- (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 non-system facility (West Van) identified in this proposed license is a fully permitted transfer station rather than a landfill and thus does not pose the same potential environmental risk from wastes delivered from prior users. West Van is a fully permitted transfer station for garbage, recyclables and organic material. West Van is regulated by Clark County Public Health and the Washington State Department of Ecology. Staff is not aware of any wastes collected by Arrow and accepted by West Van that could pose a risk of environmental contamination.

The Dirt Hugger composting facility is authorized to accept for composting crop residue, source-separated pre-consumer and post-consumer food waste (including vegetables, fruits, grains, meats, dairy, eggs and fats), manure from herbivorous animals, wood waste and yard debris. Staff is not aware of any wastes accepted at the Dirt Hugger composting facility that could pose a risk of environmental contamination. The environmental risk from the use of this non-system facility is presumed to be minimal because the facility is fully regulated and monitored by the appropriate local and state authorities.

- (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;*

West Van is regulated by the Clark County Public Health Department and the Washington State Department of Ecology. Based on information from Clark County staff, West Van is fully compliant with respect to all environmental rules and regulations. West Van operates in accordance with its Clark County approved Operations Plan, which specifies the procedures for handling and reloading food waste at the facility.

According to Klickitat County Health Department and Washington State Department of Ecology, the Dirt Hugger composting facility operates in compliance with all federal, state, and local requirements, rules and regulations and has had no violations related to public health, safety or environmental regulations.

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

West Van is a fully permitted as a transfer station by the Clark County Public Health Department and the Washington State Department of Ecology. West Van uses operational practices and management controls that are typical of transfer stations and that Metro considers adequate for the protection of health and the environment.

In addition, Dirt Hugger uses operational practices and management controls that are typical of a food waste composting facility. Dirt Hugger has obtained all necessary composting and air quality permits from the Klickitat County Health Department and Washington State Department of Ecology.

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

The waste subject to the proposed NSL will be delivered to Dirt Hugger for the purpose of composting rather than disposal. Based on the waste management hierarchy, composting is considered to be a higher and better management option than land disposal. As such, approval of the proposed NSL is likely to continue having a positive impact on 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 waste subject to the proposed license will be delivered to a composting facility rather than disposed at a general-purpose landfill. Thus, approval of the requested license does 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*

As a solid waste hauling company, Arrow has a good record of compliance with local and state agencies responsible for public health, safety, and environmental rules and regulations.

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

Reloading source-separated food waste at West Van for delivery to the Dirt Hugger facility for composting will provide additional recovery capacity which benefits the region's organics recovery program. Further, the Dirt Hugger composting facility provides an additional option for food waste composting to the region.

3. Anticipated Effects

The effect of Resolution No. 17-4841 will be to issue a renewed NSL to Arrow authorizing the transport of up to 13,000 tons per calendar year of yard debris mixed with residential food waste and commercial food waste from the Metro region to West Van for consolidation, reloading and transport

to the Dirt Hugger facility for composting.

4. Budget Impacts

It is Metro's policy to manage the region's waste according to the waste management hierarchy. Metro's regional system fee and excise tax rates are based on the amount of waste that is anticipated to be disposed, in conjunction with Metro's budget for the next fiscal year. Anytime waste is diverted from Metro transfer stations, and further diverted from disposal, there will be some impact in the current fiscal year to Metro's tonnage charge, enhancement fee, and the solid waste fee and tax revenues. In the case of Arrow, the source-separated food waste that will be transported to West Van and then Dirt Hugger under authority of this proposed NSL will continue to be exempt from the fee and tax because it will be composted.

The historical diversion authorized under this proposed NSL has already been factored into Metro's rates and budget – which further reduces any fiscal impact of granting this license renewal.

RECOMMENDED ACTION

Staff recommends that Council approve Resolution No. 17-4841 finding that the license application satisfies the requirements of Metro Code chapter 5.05. Resolution 17-4841 will authorize the COO to issue a renewed NSL, similar to the one attached to the resolution as Exhibit A, to Arrow.

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