

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 18-4932 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO DIAMLER TRUCKS NORTH AMERICA FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE AND SPECIAL WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY IN BROOKS, OREGON

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November 1, 2018

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Approval of Resolution No. 18-4932 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL), to Daimler Trucks North America (DTNA) to annually transport up to 500 tons of non-recoverable solid waste, including putrescible waste and special waste from its facility within the Metro region to the Covanta Waste-to-Energy Facility (Covanta) in Brooks, OR. The proposed NSL is a renewal of an existing NSL that is set to expire on December 31, 2018.<sup>1</sup>

## BACKGROUND

The applicant, DTNA assembles semi-trucks and manufactures fuel tanks at its Portland facility located at 6936 N. Fathom Street (Metro District 5). Nexeo Solutions, a firm contracted by DTNA, is responsible for managing the waste and recyclables generated at DTNA facilities. DTNA routinely generates miscellaneous non-recoverable waste at its facility which includes various items such as non-process waste from manufacturing areas, restroom, and lunchroom waste. The company also generates miscellaneous special waste consisting primarily of used paint filters, used plastic paint related items, rubber trim/hoses, and mixed floor sweepings.

DTNA has adopted a corporate policy of eliminating landfill disposal and seeks to divert its non-recoverable and special waste to energy recovery as the preferred method of waste disposal. DTNA facilities currently have a recycling infrastructure in place for several materials including scrap metal, mixed paper, cardboard, mixed hard plastics, soft plastics, scrap wood, and beverage containers. The company seeks the proposed NSL to further its internal initiative to reduce landfill disposal.

In July 2016, DTNA was issued a new NSL authorizing the transport of up to 500 tons per calendar year of non-recoverable waste, including putrescible and special waste, generated at its facility to Covanta. The NSL is set to expire on December 31, 2018. In 2017, DTNA transported approximately 178 tons of waste to Covanta under the NSL and transported 226 tons between January 1 and September 30, 2018.

On September 7, 2018, DTNA filed a complete application seeking a renewed NSL to transport up to 500 tons per calendar year of non-recoverable waste, including wet and special waste, generated at four of its facilities to Covanta. The proposed license is subject to approval or denial by the Metro Council because, in addition to the non-putrescible and special waste, it also authorizes the delivery of putrescible waste to a non-system facility.<sup>2</sup>

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<sup>1</sup> Metro Solid Waste Facility Non-System License No. N-169-16

<sup>2</sup> Metro Code Section 5.05.110(c)

## ANALYSIS/INFORMATION

### 1. Known Opposition

There is no known opposition to the proposed NSL.

### 2. Legal Antecedents

Metro Code Section 5.05.110 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 determine whether to issue a non-system license:

- (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 proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then delivered to a disposal facility permitted by the Oregon Department of Environmental Quality (DEQ).

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

Covanta is permitted by the DEQ. Metro staff received verbal confirmation from the DEQ and Marion County that Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental rules and regulations.

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

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

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

DTNA has adopted a corporate policy of minimizing or eliminating landfill disposal and seeks to continue diverting non-recoverable waste to energy recovery as the preferred method of disposal. DTNA's policy is based on the benefits of greenhouse gas reduction and minimization of disposal liability.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute<sup>3</sup> stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their wasteshed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only wasteshed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only wasteshed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact the Metro region's recycling and waste reduction efforts.

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

Until the end of 2019 Metro has a contractual obligation 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 this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

*(6) The record of the applicant 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 regulations;*

During the period of the current NSL, Daimler was late in remitting the required Metro Regional System Fee and Excise Tax payments 15 of the 26 times that they were due for waste disposed at Covanta. A condition has been added to the proposed NSL that subjects Daimler to a civil penalty for each day by which the reporting timeline is exceeded. Staff will continue to monitor this matter. Other than this issue, the applicant generally has a good record of compliance with regard to Metro regulations.

*(7) Any other factors as the Chief Operating Officer deems appropriate.*

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta but has expressed concerns about capacity to take new customers.

### **3. Anticipated Effects**

The effect of Resolution No. 18-4932 will be to issue a renewed NSL authorizing DTNA to transport up to 500 tons per calendar year of non-recoverable waste, including putrescible and special waste, to Covanta for disposal. The proposed license will commence on January 1, 2019, and expire on December 31, 2020.

### **4. Budget/Rate Impacts**

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<sup>3</sup> ORS 465A.010(4)(f)(B)

The waste covered under the proposed NSL will be transported to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its current disposal contract. The regional system fee and excise tax will continue to be collected on the waste covered by this license. The proposed NSL is a renewal of an existing authorization and the financial impact of this NSL has already been factored into the budget.

#### **RECOMMENDED ACTION**

The COO recommends approval of Resolution No. 18-4932, finding that the proposed license satisfies the requirements of Metro Code Chapter 5.05, and issuance of an NSL substantially similar to the NSL attached to the resolution as Exhibit A.

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