

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 20-5079 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A NEW NON-SYSTEM LICENSE TO VERIS INDUSTRIES-SCHNEIDER ELECTRIC FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE WASTE, AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON

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Department: WPES  
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### ISSUE STATEMENT

Veris Industries-Schneider Electric is requesting a new Metro Non-System License (NSL) to transport up to 475 tons per calendar year of non-recoverable solid waste, including putrescible waste, from its facility located at 12345 SW Leveton Dr. in Tualatin to the Covanta Waste-to-Energy facility (Covanta) in Brooks, Oregon.

Metro Code Section 5.05.110(c) requires the Metro Council to approve or deny a non-system license to transport putrescible waste to a disposal site.

### ACTION REQUESTED

Approve Resolution No. 20-5079 which will authorize the Chief Operating Office to issue a Metro Non-System License to Veris Industries-Schneider Electric for a term of up to three years.

### IDENTIFIED POLICY OUTCOMES

Approval of the proposed non-system license will support Metro's longstanding practice to allow solid waste generated in the Metro region to be transported to disposal sites located outside of the region provided that the transporter applies for and receives Metro authorization.

### POLICY QUESTION(S)

Should Metro Council approve the resolution and grant the Chief Operating Officer authority to issue a non-system license, as provided in Metro Code Chapter 5.05.110, to Veris Industries-Schneider Electric to deliver up to 475 tons per calendar year of putrescible waste to the Covanta Waste-to-Energy facility?

### POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Approve the resolution as proposed to authorize the Chief Operating Officer to issue a new non-system license to Veris Industries-Schneider Electric.
2. Amend the resolution to issue the new non-system license with different conditions than those recommended by staff.
3. Do not approve Resolution No. 20-5079.

### STAFF RECOMMENDATIONS

Staff recommends Metro Council approve Resolution 20-5079 to authorize the Chief Operating Officer to issue a new Metro Solid Waste Facility Non-System License to Veris Industries-Schneider Electric.

## STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Non-system licenses (NSL) are the main vehicles by which Metro manages the flow of solid waste transported to facilities located outside of the Metro regional boundary because they allow Metro to closely monitor and potentially guide waste flows to authorized facilities.

### Known Opposition/Support/Community Feedback

There is no known opposition to the proposed NSL.

### Legal Antecedents

Metro Code Chapter 5.05, "Solid Waste Flow Control." Specifically, Section 5.05.140 describes the factors the Chief Operating Officer may consider 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 those wastes pose a future risk of environmental contamination;*

Covanta primarily accepts solid waste generated in Marion County, though the facility also accepts special waste and other wastes generated by companies seeking to promote alternative disposal policies or government agencies seeking to destroy certain waste for public safety or the public good such as contraband, postage stamps, expired pharmaceuticals, and lottery tickets.

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 disposed, or used beneficially, in accordance with Oregon Department of Environmental Quality (DEQ) requirements.

- (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 regulations;*

Covanta holds a DEQ Solid Waste Energy Recovery Permit (Oregon DEQ permit #364). No formal enforcement actions have been taken at Covanta by DEQ in at least the last five years and 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 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;*

The Veris Industries-Schneider Electric facility has a very mature recycling program that has been in existence since early 2000. All employees are trained on the recycling program and are required to participate and demonstrate proper recycling practices. The site is regularly audited by both internal and external auditors as part of the ISO 14001 certification. The facility seeks to deliver only its non-recyclable waste, including putrescible solid waste, to Covanta instead of a landfill.

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 (Oregon Revised Statutes 459A.010) 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;*

Approval of the proposed license will not conflict with any of Metro's 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 regulations; and*

Veris was initially issued a NSL in 2017 (No. N-177-17) to transport the same type and volume of waste to Covanta as in the proposed NSL. On January 2, 2019, Metro issued Veris a Non-Compliance Advisory Letter (No. NAL-413-19) for failure to submit timely reports and payments as required in the NSL. At the time of the NAL, Veris had submitted only seven of 19 required reports, and of the seven reports submitted, five reports were late. The NAL notified Veris that the company was required to report each month even if the reported tonnage is zero, and failure to do so would subject it to enforcement. Veris failed to submit required reports after the NAL was issued, and Metro subsequently revoked NSL No. N-177-17 effective July 31, 2019. Upon receiving the letter from Metro revoking the NSL, staff at Veris contacted Metro explaining that Metro's point of contact at Veris, had passed away unexpectedly and staff were unaware of the existence of the non-system license.

Metro staff's investigation of the applicant revealed a good record of compliance with local agencies responsible for health, safety and environmental regulations.

*(7) Any other factor the Chief Operating Officer considers 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. Although approval of this resolution would authorize Veris Industries-Schneider Electric to transport waste to Covanta, the proposed NSL does not obligate Covanta to accept the waste. In addition,

Metro may subsequently amend, suspend, or terminate the proposed NSL should there be any change in circumstances after it is issued.

Metro Code Section 5.05.170(5)(B) states that a new NSL may be issued for a term of up to a three years. The proposed license has a 34-month term and would commence on March 1, 2020 and expire on December 31, 2022.

### **Anticipated Effects**

Adoption of Resolution 20-5079 will authorize the Chief Operating Officer to issue a new NSL, as provided in Metro Code Chapter 5.05.110, to Veris Industries-Schneider Electric to deliver up to 475 tons of putrescible waste per calendar year to the Covanta Waste-to-Energy facility.

### **Financial Implications**

The application under consideration is for a new NSL to transport up to 475 tons of non-recoverable solid waste, including putrescible waste to Covanta Waste-to-Energy facility. The financial impact of this NSL is expected to be negligible because the regional system fee and excise tax will continue to be collected on Metro-area waste delivered to Covanta under the authority of the proposed NSL.

### **BACKGROUND**

The applicant, Veris Industries-Schneider Electric, located at 12345 SW Leveton Drive in Tualatin, Oregon, is a manufacturing company that makes HVAC (heating, ventilating, and air conditioning) system controls and monitoring meters. Veris Industries-Schneider Electric has a robust sustainability program and seeks to become a zero-waste-to-landfill company. All areas of the facility have dedicated recycling stations including desk spaces, production floor and an employee cafeteria. Centralized collection stations are provided for paper, corrugated cardboard, batteries, fluorescent tubes, wood pallets, metal, scrap boards and assemblies, polystyrene, hard plastics and film plastic. In the cafeteria, non-protein food items are collected and composted in an on-site employee garden. The waste that Veris Industries-Schneider Electric seeks to transport to Covanta includes the non-recoverable waste from its manufacturing process, cafeteria waste and restroom waste.

On December 5, 2019, Veris Industries-Schneider Electric filed a complete application seeking a new NSL to transport up to 475 tons per calendar year of non-recoverable waste, including wet waste, generated at its facility to Covanta. The proposed license is subject to approval or denial by the Metro Council because it authorizes the transport of putrescible waste to a non-system facility.

### **ATTACHMENTS**

Exhibit A to Resolution No. 20-5079: Draft non-system license No. N-177-20.