



Department of Public Works

Solid Waste Updates

SW Plan & SW Fund

Issue Brief

Issue:

The Public Works Department is in the process of updating the County's Solid Waste Management Plan (SWMP). This brief is an overview of plan generation activities, some of the larger issues being dealt with to date, and matters related to the Solid Waste Fund.

Solid Waste Management Plan:

The Department solicited proposals from companies to perform an update of the County's SWMP in late fall of 2007. After reviewing the proposals submitted, the consulting firm JR Miller & Associates (JRMA) was chosen to perform this work.

Plan Development and Participation

The project kickoff occurred at the February, 2008 meeting of the County's citizen Solid Waste Management Advisory Council (SWMAC). This group was developed in the late 1980's to discuss and make recommendations on policy issues related to solid waste management to the Board of Commissioners. At the February meeting, JRMA outlined the approach that would be taken in SWMP development, which would include working on and presenting the plan a chapter at a time, *taking input from the public and the SWMAC each month* along the way as it was being developed. *All meetings and agenda are public noticed.*

Since that time, public and SWMAC input has been solicited and received at ten different SWMAC meetings (March 2008 through February 2009, excluding August and December of 2008). Additionally, a public information workshop was held in September 2008 regarding the various alternative technologies available for the treatment and disposal of waste, which are many. The Department also participated and presented at a forum sponsored by the League of Women Voters (LOWV) held in January 2009 which presented information about waste reduction and recycling.

Looking forward, there will be more opportunities for input at SWMAC meetings, as well as presentation of the draft SWMP at another LOWV forum in late March. At this time, it is estimated that a final draft version of the SWMP will be brought before the Board of Commissioners in May 2009.

Key Issues

Probably the biggest issue being considered is what method of disposal the county should use come 2014. The importance of this date is that it is when the County's current agreement with Covanta Marion, for operation of the Waste-to-Energy Facility (WTEF) in Brooks, is due to expire. The consultant was tasked with taking an extensive look at alternative technologies available for the processing of waste, as well as looking at disposal of the material at out-of-county landfill locations.

Based upon the research performed and the feedback received overall, the recommendation currently being proposed in the draft version of the plan calls for the initiation of preliminary contract renewal discussions between Marion County and Covanta (the WTEF operator), with the goal of ultimate renewal of that agreement should financial stipulations of a renewal be favorable for the County. It was determined that developing other disposal facilities in the county, or developing the infrastructure to transfer the waste to an out-of-county disposal site (landfill) were all more costly and less environmentally-friendly options than continuing with the existing facility. This is also supported by the fact that the WTEF continues to operate well beneath their state and federally mandated air emission limits, as well as the fact that the EPA and the Oregon DEQ consider WTE to be a net greenhouse gas reducer, compared to disposal of that waste in a landfill.

The County will shortly be having an opening meeting with Covanta to kick off talks, initially requesting financial information from Covanta as well as requesting a draft cost proposal for services beyond the 2014 date. Negotiations are expected to take a fair amount of time. Best estimates are for a draft agreement later in the year (2009).

Another key recommendation in the SWMP is that the County have a Facilities Master Plan prepared that identifies investments required to existing facilities (such as material recovery facility, transfer stations, etc) to meet the needs of the solid waste system over the next 10 years, considering ways to increase recovery of materials and improving efficiency of handling and transporting those materials.

Putting additional effort into waste prevention and reduction, as well as recycling, is another of the key issues being addressed. The possible composting of food waste residuals, which comprise almost 30% of the waste still being disposed, is one of the actions being recommended, assuming that permitted processing capacity has been developed, and that there is a market for the end product.

The potential for the beneficial reuse of WTEF ash is also being proposed. This would require a demonstration to the Oregon Department of Environmental Quality (DEQ) that any such use would be protective of human health and the environment.

Solid Waste Fund

Since the mid-1980's, the County's solid waste management division has utilized a dedicated enterprise fund to finance the operations of the program. This fund is generated from tipping fees at disposal sites (two transfer stations, WTEF, demolition landfill, and compost facility), franchise fees from franchised garbage haulers, interest generated on reserves, sale of certain recyclable materials, and electrical revenue received from power generated at the WTEF. Tipping fees are fees charged to a customer based upon the quantity (usually weight) of material delivered to a disposal facility. These fees are paid by franchised haulers at the WTEF as well as by the public when they self-haul their waste to one of the transfer stations for disposal. This cost is factored into the curbside collection rates charged by haulers to residents and businesses within the county. Tipping fees are the largest contributor to the fund, and *have remained unchanged since January 1, 1992.*

Due to the large capital investment entered into by the County to build and operate the WTEF, the Oregon Legislature granted flow control authority to Marion County in the mid-1980's, in order to ensure that sufficient solid waste was delivered to the WTEF to meet the County's contractual obligation to provide a minimum quantity of waste.

The Department's budgeting strategy has always been to pay as you go, having sufficient resources and reserves to pay for liabilities and expenses as they occur. Besides the usual expenses of paying contractors for facility operations (WTEF and Salem-Keizer Recycling & Transfer Station), County staff for site engineering and operations, and typical operating costs, the County also provides numerous value-added services to its citizens that are paid for from revenues generated by the system. They include, but are not limited to, the following:

- A much lower tip-fee for medical waste generated within Marion County (same rate as regular garbage, out-of-county customers pay virtually 3 times as much)
- Free household hazardous waste collection events and a permanent facility in Salem
- Free household battery, fluorescent lamp, and mercury thermometer recycling
- Master recycler training classes
- Permanent free Styrofoam drop-off location for recycling
- Composters at cost program
- Buy Recycled retail promotions
- Waste Reduction tabloid mailed to every resident in Marion Co. twice annually
- Green building seminars
- Home composting demonstration sites
- Major event recycling at numerous festivals and events, including sponsorship of the Earth Day Fair at the Oregon Garden
- Enhanced recycling and waste reduction public education
- Waste reduction grant program for entrepreneurial recycling efforts
- Funding of a full-time Recycling Educator in the Salem-Keizer School District
- Conduct free resource efficiency evaluations for businesses (Earth WISE program), certifying businesses that meet certain criteria

Through curbside recycling collection as well as various other waste reduction, reuse, recycling, and composting programs (some of them noted above), *Marion County has had the highest recovery rate in the state of Oregon*, the most recent number reported by DEQ being 56.5% for 2007.

Additionally, the solid waste fund has approximately \$20 million in reserves. Of that amount, most is dedicated for specific purposes, as detailed below:

First is a \$7.5 million reserve maintained for closure and 30-year post-closure care of the County's two disposal sites, the North Marion County Disposal Facility (NMCDF) near Woodburn, and the Brown's Island (BI) Demolition Landfill site located near SW Salem. This is a DEQ requirement, and this amount is based upon costs that typically increase with the rate of inflation.

Next is a \$7 million reserve maintained for potential environmental cleanup activities at the NMCDF (\$5 million) and BI (\$2 million). Shallow groundwater is known to have been impacted at these two locations from old landfilling practices, and the Department monitors this on a regular basis as per our DEQ permits. Should conditions ever warrant, DEQ could require some sort of cleanup, which would likely be more expensive than the amount of reserves being withheld.

Lastly, the remainder has been held to fund large capital improvements to be made at the different facilities, such as ash cell bottom liners and topcaps, leachate lagoon covers, upgraded air pollution control equipment at the WTEF, installation of a non-ferrous metal recovery system at the WTEF, and other such improvements.

In October of 2008, the bonds that were floated to pay for the construction of the WTEF were retired. The payments amounted to approximately \$4.2 million per year. With the retirement of this debt, there will likely be a rise in the reserves due to the lack of payments, assuming no new significant capital investment in new infrastructure, such as the development of a new or expanded material recovery facility or the expansion of transfer capacity as mentioned in the SWMP. If some of the new or expanded facility options proposed in the new SWMP were to be developed, that would draw down these funds.

Even with paid-off bonds, the County will continue to need flow control authority in order to ensure that sufficient waste is delivered to the WTEF to meet the guaranteed tonnage quantity spelled out in the agreement. Failure to meet this requirement would be costly to the County. This would likely be a requirement of any renegotiated agreement as well.

Summary

Marion County is determined to work towards reducing the amount of waste being generated and disposed, however ensuring that the material that does enter the waste stream is managed in a way that is cost-effective, as well as protective of public health and the environment. This will likely require investments in upgraded or new facilities over time, which along with having the need to meet contractual obligations, would necessitate the ongoing need for flow control authority.

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