

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, November 28, 2018
9:00 a.m.

Senator Hearing Room
555 Court Street NE
Salem, OR 97305

PRESENT: Commissioner Janet Carlson and Commissioner Kevin Cameron. Also present were John Lattimer, chief administrative officer, Jane Vetto as county counsel and Brenda Koenig as recorder.

ABSENT: Commissioner Sam Brentano

Commissioner Carlson called the meeting to order at 9:00 a.m.

PUBLIC COMMENT

None.

PRESENTATION

(Video Time 00:01:01)

PGE's Energy Future. –Maria Pope, PGE CEO and Wendy Veliz, Local Government Affairs;

Summary of presentation:

- PGE has been part of the Oregon community for over 130 years;
- Call to action with climate change;
- Top facility in the west ranked for Business Customer Satisfaction;
- Top utility that sells Green Energy to customers;
- PGE has stood for safe, reliable, and affordable power for many years:
 - Safety is a number one priority with customers, employees, and communities;
 - Reliability matters;
 - Affordability:
 - 20 percent of PGE customers struggle with their monthly bills; and
 - PGE is an essential service and remaining affordable is critical.
- Oregon and PGE are national examples for high levels of energy efficiency:
 - For reduced levels of energy that businesses and residences are using; and
 - Some of the most aggressive energy efficiency goals and results in the country.
- We are no longer living in an ore world;
- No longer trading off reliability and cost effectiveness for clean energy;
- PGE has seen significant drops in the following:

- Cost of renewable development; and
 - Cost of communications.
- PGE came out with their Clean Energy Vision in 2018;
- PGE is committed to meeting Oregon’s 2050 carbon reduction goals in reducing greenhouse gas by more than 80 percent;
- Working with Evolve Energy Research, the same company that presented in front of the United Nations to understand what a decarbonized economy looks like;
- PGE’s focus is:
 - Enabling electric transportation;
 - Ability to use electricity verses other fossil fuels; and
 - Having a modernized grid that is both smart and resilient.
- Today, PGE is 40 percent carbon free and that number is rapidly increasing;
- Electricity is the lowest carbon intensive energy source that there is in the economy;
- PGE sees the need to reduce the amount of carbon in our energy supply:
 - Expand the use of electrification; and
 - Continue to use less energy overall.
- As an economy, consumers will see greater uses of electricity while using less energy;
- PGE is balancing the west grid with the most cost effective energy resources that have no marginal costs:
 - Wind;
 - Solar; and
 - Hydro.
- PGE has invested over \$18 million in Marion County the last couple of years for:
 - Adequate infrastructure;
 - Taking care of aging equipment; and
 - Making sure that their grid remains sustainable and reliable.
- Marion County and PGE have partnered in:
 - Emergency and disaster resiliency for hospitals and public services;
 - Energy efficiency:
 - LED street light conversion.
 - Electric Avenue:
 - To quickly advance electric mobility in the city; and
 - Working with Salem Transit Authority on electric buses.
 - Green future tariff:
 - PGE has a program where municipalities, larger customers, and others can buy 100 percent Green Energy.

Board discussion:

- The details of Electric Avenue:
 - PGE has established a location by the capitol building for four charging units for electric cars; and
 - PGE is taking care of all the installation costs for the units.
- The evolution of battery storage and how it is impacting the reliability issue:
 - The facility that Commissioner Cameron toured several years earlier is yesterday’s technology and yesterday’s cost;

- Dramatic drop in the cost and the energy intensity of battery storage;
- Today, PGE is able to store much more energy at a much lower cost;
- PGE has about 40 million additional battery storage placed in three different of locations:
 - Connection with generating facilities to maximize quick response times;
 - Enhance reliability at some of the substations; and
 - Ability to better understand the use of residential storage.
- Much of PGE's system is still hydro based;
- Battery storage will not solve a problem of a drought year or several drought years; and
- Battery storage will maximize the use of renewable energy.
- Hydrogen technology:
 - Energy intensive to store;
 - Tremendous exploration with hydrogen technology;
 - Electricity will play an important role in the future;
 - PGE feels that a variety of solutions will be needed; and
 - PGE is looking at what is most cost effective and not focusing on specific technologies.
- Steps being taken for safety and security of the grid:
 - PGE focus on two types of security:
 - Physical security is constantly being enhanced:
 - Cameras; and
 - Electronic monitoring.
 - Cyber security has been significantly invested:
 - 24/7 monitoring of all locations;
 - Air gap and isolate key systems;
 - Independent reviews;
 - Working with Homeland Security, the FBI, and other law enforcement agencies to understand most significant threats; and
 - It's the largest increase of cost within the company.
- Affordability:
 - PGE contributes to the Oregon Heat Program:
 - Oregon Heat Program helps people who can't afford electricity.
- Renewable Energy and the status of hydro:
 - Hydro is the bedrock of not only PGE, but the entire system in the west.
 - Hydro is about 25 percent of the PGE system;
 - It is one of the only storable sources of energy they have behind their dams, which makes it an important back up resource;
 - PGE has increased some of their hydro output and made it more low impact; and
 - PGE has invested millions in protecting fish and wildlife along their hydro facilities located on the Clackamas and Deschutes rivers.

- PGE works with emergency responders to ensure that systems that need to be restored such as hospitals, are restored first for human safety and health;
- PGE has a specific ranking of how they deploy resources quickly in outages, disasters, or high winds;
- They invest in the growth of their employees with both training and apprenticeship programs:
 - In Marion County, they have invested people and resources into the Salem-Keizer Career Technical High School; and
 - Offer scholarships and have been in discussion with Chemeketa Community College to collaborate with programs for the community.

(Video Time 00:37:53)

MOTION: Commissioner Cameron moved to add to the Consent Agenda; approve an order appointing Dennis Mansfield as Interim Public Works Director and Interim Emergency Management Director. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

CONSENT

BUSINESS SERVICES

Approve a recommendation to uphold pay grades and updates for ten classifications: Code #042, Elections Clerk; #312, Survey Technician 1; #313 Survey Technician 2; #317, Survey Technician 3; #361, Loss Control Manager; #441, Right of Way Agent; #495, Building Maintenance Specialist Senior; #559, Occupational Therapy Specialist; #637, Support Enforcement Agent 1; #638, Support Enforcement Agent 2.

Approve a recommendation to adjust upward pay grades and updates for five classifications: Code #007, Elections and Recording Manager; #455, Dispatch Center Coordinator; #483, Building Maintenance Specialist; #531, Behavioral Health Aid; #931, Law Clerk.

PUBLIC WORKS

Approve an order appointing Dennis Mansfield as Interim Public Works Director and Interim Emergency Management Director with an effective date of December 1, 2018.

MOTION: Commissioner Cameron moved for approval of the consent agenda. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

ACTION

(Video Time 00:40:44)

PUBLIC WORKS

1. Receive and consider appeal of hearings officer's decision approving Conditional Use (CU) 18-0020/William Acres Solar, LLC. –Joe Fennimore

Summary of presentation:

- Request for a conditional use to establish a solar power generating facility on a 12 acre portion of a 30 acre parcel of land in an Exclusive Farm Use zone;
- The hearings officer conducted a public hearing on April 17, 2018;
- On October 29, 2018, a decision was issued approving the request;
- On November 13, 2018, the hearings officer's decision was appealed to the board;
- The appeal was filed by a neighboring property owner disagreeing with the hearings officer's decision;
- The document filed with the Clerk's Office by the appellant is a copy of the hearings officer's decision with some additional notes written in the margins and some underlined words;
- The appeal does not include any additional argument or evidence:
 - As a result, staff is unable to determine the basis for the appeal.
- The 150-day decision making deadline is up on December 4, 2018;
- Mr. Fennimore contacted the attorney for the applicant requesting an extension to the deadline; and
- Applicant wants to defer that decision until after the board decides whether to accept or deny the appeal.

Board discussion:

- The solar application was approved prior to the moratorium, which was approved in March 2018;
- Mr. Fennimore exchanged emails with both Mr. Rodger Cave, Friends of Marion County, and with one of the neighbors informing them that information or evidence would need to be provided explaining why they disagree with the hearings officer's decision;
- The information that the commissioners have is what the Clerk's Office received;
- The person that testified is the same person who appealed the hearings officer's decision; and
- Conditional Use (CU) 18-0020/William Acres Solar, LLC. has been approved by the hearings officer, and no new information has been provided.

MOTION: Commissioner Cameron moved to deny the appeal and uphold the hearings officer's decision approving Conditional Use (CU) 18-0020/William Acres Solar, LLC. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

(Video Time 00:46:10)

2. Consider adoption of an administrative ordinance granting Zone Change/Comprehensive Plan Amendment/Conditional Use (ZC/CP/CU) Case 18-001/McCallum Powder, LLC. – Joe Fennimore

Summary of presentation:

- Requesting to amend the Comprehensive Plan designation, change the zone from Special Agricultural to Industrial on a 2.1 acre portions of a 79 acre parcel:
 - Conditional Use is for an explosives storage facility.
- The hearings officer held a public hearing on March 21, 2018;
- Recommendation was issued by the hearings officer on September 29, 2018, approving the request;
- Public hearing was held on October 24, 2018, where the applicant submitted additional information and evidence in the testimony;
- After considering all the information and evidence, the board approved the request subject to the following conditions:
 - Applicant must obtain all required permits;
 - Provide proof of Sheriff's Office coordination;
 - Have the site reviewed and approved by the fire district;
 - Containers must be barricaded;
 - Containers must be placed on a cleared gravel area; and
 - Limits on the amount of explosives stored at the facility.
- Notice of adoption was given on November 21, 2018; and
- Staff recommends the commissioners adopt the ordinance as it is written.

Board discussion:

- Board approved evidence from public hearing held on October 24, 2018; and
- This adoption is just bringing forward all the final paperwork.

MOTION: Commissioner Cameron moved to adopt an administrative ordinance granting Zone Change/Comprehensive Plan Amendment/Conditional Use (ZC/CP/CU) Case 18-001/McCallum Powder, LLC. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

PUBLIC HEARINGS
9:30 A.M.

(Video Time 00:49:02)

PUBLIC WORKS

A. Public hearing to consider approval of the franchise agreement between Marion County and the Marion Resource Recovery Facility, LLC (MRRF) –Brian May, Dennis Mansfield, and Kevin Hines

Summary of presentation:

- Covanta, the Marion County Energy-from-Waste facility is running at full capacity just from Marion County solid waste alone;
- Transfer stations growing at 10 percent every year for the past three years;
- Marion Resource Recovery Facility, LLC (MRRF), processed 158,000 tons in 2017;
- Estimates that in 2018, MRRF will process 172,000 tons;
- Recycling materials that go to different markets has changed and expanded;
- MRRF processed over 15,000 tons of wood last year;
- Marion County has not had an outlet for recovery of construction and demolition from third party or public haulers;
- The new agreement will allow MRRF to take in large projects, which in return will help Marion County's recovery rates;
- The agreement is for a 20-year fixed term, because MRRF has the ability to meet the needs of growth and expansion;
- Marion County is expecting to see increased recovery, which will help on the recycling front;
- The county wants to address the 10-20 percent recoverable loads:
 - Get as much material as possible out of the system;
 - In return, helping to reduce the impact on Covanta; and
 - Will increase recovery rates.
- Testing the material to make sure MRRF is processing the material thoroughly:
 - The residual that is left is destined for final disposal.
- Annual review looking at:
 - Flows;
 - Material Types;
 - Operations to make sure the county is addressing any new issues; and
 - Changes in the market.

Kevin Hines:

- Great long term agreement for MRRF;
- Allows MRRF to work towards hitting some of their statewide goals over the next several years;
- Has a great partnership with Marion County over the last twenty years; and
- Looking forward to the next twenty years with Marion County.

Board discussion:

- MRRF is looking at expanding their facility in the future;
- With the increased waste tonnage over the years, MRRF knows that they need to expand;
- Expansion will allow MRRF to be:
 - More efficient; and
 - Bring in some equipment that will allow them to bring in more materials at a higher rate.
- MRRF's goal after the expansion is to be able to recover twice the amount that they are doing now.

MOTION: Commissioner Cameron moved to close the public hearing and approve the franchise agreement between Marion County and the Marion Resource Recovery Facility, LLC. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

B. Public hearing to consider an increase to the Solid Waste Collection Rates charged by franchised haulers. –Brian May and Estle Harlan

Summary of presentation:

Reed Carlson, Marketing and Recycling Coordinator for Mid Valley Garbage and Recycling Association:

- One of Mr. Carlson's roles is to communicate curbside recycling to Marion County citizens;
- Mr. Carlson receives the following questions often:
 - What does curbside recycling actually look like;
 - What are the drivers seeing when they are dumping carts;
 - What plastics can be recycled at the curbside level:
 - Items that cannot be recycled:
 - Film plastic or plastic envelopes, which is often found in packaging;
 - Glass, unless it is in the red recycling container;
 - Styrofoam;
 - Food;
 - Laminated paper;
 - Hangers; and
 - Plastics that have food residue inside.
 - Items that can be recycled:
 - Cardboard;
 - Paper items; and
 - Plastic jugs with no caps that are clean and dry.
- Citizens are confused about what is allowed and not allowed in recycling;
- Currently in Marion County, only bottles and jugs without lids are recyclable;
- Food contamination is a problem with recyclables;
- Recyclables have to work with the equipment that the county has; and
- When the cart leaves the residence, there is still a lot of processing to be done.

Will Posegate, Chief Operating Officer for Garten Services:

- Correct plastic recyclables have a good markets;
- Colored plastics with dye still have some value, but not as much value as clear plastics; and
- Unclean recyclables can contaminate an entire load and make the load unmarketable.

Brian May, Public Works Division Manager:

- Each year, the Franchise Garbage Haulers of Marion County do an in-depth cost analysis referred to as the COSA;
- The analysis looks at:
 - Historical financial and statistical data;
 - Future trends based on certain assumptions:
 - Based on inflation; or
 - A known fee increase.
- Each hauler presents their materials;
- An extensive review of the materials is done and all the information is summarized into one COSA report;
- This report is then turned over to Marion County where additional review is done by the county to make sure the data is matching what happening in the industry;
- This information was brought to the board in a work session on November 1, 2018;
- Major factors that are impacting this rate increase are:
 - Fuel:
 - Haulers are experiencing a 34 percent increase in fuel cost in 2018; and
 - No fuel cost increase is anticipated for 2019.
 - Recycling market has changed significantly in 2018:
 - In 2017, haulers were paid an average \$8.95 per ton for recycled materials;
 - In 2018, haulers are paying an average of \$80.22 per ton for recycled materials; and
 - In 2018, haulers are paying for the recycled material verses being paid for the material.
- Based on the COSA, the haulers are proposing a rate increase to take effect January 1, 2019, for the following areas:
 - For Marion-Urban Customers:
 - A cart rate increase of 11.40 percent, averaging \$2.88 per month;
 - A container rate increase of 9.07 percent, averaging \$12.13 per month; and
 - A drop box rate increase of 4.21 percent, averaging \$7.05 per month.
 - For Marion-Rural/Sparse areas:
 - A cart rate increase of 10.55 percent, averaging \$2.90 and \$3.29 per month;
 - A container rate increase of 1.26 percent, averaging \$1.67 per month; and
 - No drop box rate increase.
 - For Commercial Medical Waste Collection in Marion-Urban/Rural:
 - High volume customers averaging 60 or more boxes per month will see a rate increase of 23 percent;

- Low volume customers averaging 1 to 59 boxes per month will see a rate increase of 4.8 percent; and
- Salem Hospital will see a rate increase of 6.2 percent for collection/disposal only.

Estle Harlan, Solid Waste Management Consultant for the Mid-Valley Garbage and Recycling Association:

- The loss of revenue is the most significant reason for rate increases;
- Recycling material sales has never covered the cost of recycling;
- Haulers are now paying an average of \$80 a ton that is taken to the processors, creating a gap between cost and revenue;
- Despite the loss of revenue, it still costs less to take it to the processors than to dispose of it as garbage, making it a viable program;
- If non-contamination recyclables improve, then prices for processing will improve;
- Domestic markets are becoming available to take recyclables that were previously sent to China;
- Marion County is recognized as having one of the best solid waste management systems in the state;
- Over 60,000 recycling carts in Marion County and the City of Salem that are picking up recycling;
- As an industry, they are going to monitor the system for what makes sense for the following:
 - Efficiency;
 - Cost effectiveness; and
 - Good public service.
- Ms. Harlan believes recycling education is key and she is constantly upgrading their recycling education;
- The fee increase will cover solid waste, recycling, and mixed organics;
- One way to cut cost is to downsize or go to an on-call service:
 - Customers would call when their cart is full and ready for pickup verses weekly pickup.

Board discussion:

- Rate increases are outside of city limits;
- Franchisees in Marion County provide a number of recycling collection services not provided in other jurisdictions, including the curbside recycling collection of motor oil, antifreeze, latex paint, cooking oil, and household batteries:
 - This only occurs inside the urban growth boundary.
- Some rural cities and other areas don't provide recycling services;
- If a city wants recycling service, then rates would need to be negotiated for that city;
- Marion County is not receiving all of the recovery that they could because not everyone has recycling services; and
- Cities without recycling are throwing products into the garbage, unless they drive to one of the recycling transfer stations.

Testimony:

Support:

Michael Johnson:

- There are complaints or issues over the hauler not being able to prove what is being put in the recycling carts;
- It's difficult for people who have recycled everything that they could, to transition to only recycling what is on the list;
- People are recycling everything with a triangle on the bottom, but in today's recycling, that triangle means nothing:
 - Just because an item has a triangle on it, does not mean that item is on the list.
- Mr. Johnson suggested that consumers not pull their carts to the curb until it is full.

MOTION: Commissioner Cameron moved to close the public hearing and approve an increase to the Solid Waste Collection Rates charged by franchised haulers. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

Commissioner Carlson read the weekly calendar.

Commissioner Carlson adjourned the meeting at 10:49 a.m.



CHAIR



COMMISSIONER

Not Present At Meeting

COMMISSIONER

Board Sessions can be viewed on-line at:

<https://www.youtube.com/playlist?list=PLSUQ1gg6M78UsBE3q6w4rdf59Z5rXkEi5>

