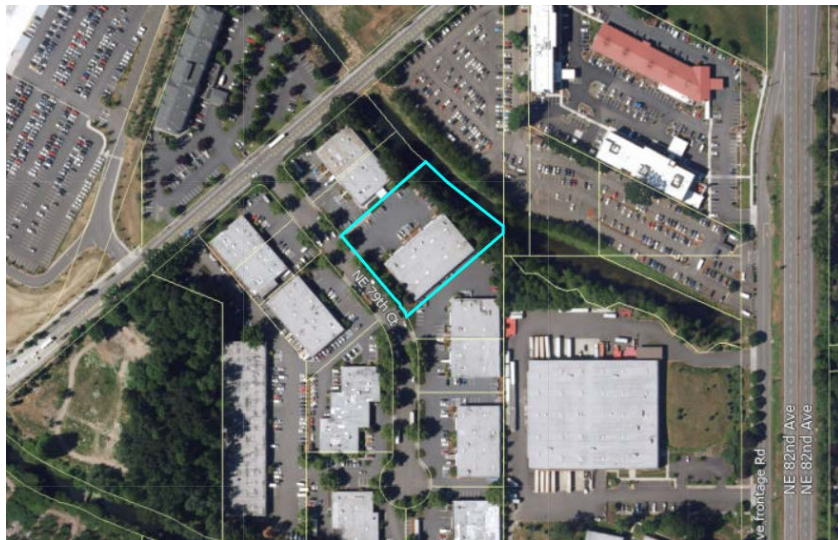


Memo

Date: April 11, 2022
To: Pam Peck, Policy and Compliance Program Director
From: Joanna Dyer, Solid Waste Authorization Coordinator
Subject: Issuance of new Facility License No. L-196-22 for Ridwell, Inc.

Attached for your signature is new Solid Waste Facility License No. L-196-22 authorizing Ridwell, Inc. to receive and process source-separated recyclable materials and certain special waste for the purpose of reuse or recycling at its Portland Warehouse located at 7006 NE 79th Court in Portland (Metro District 5). This memo provides background information on the applicant's request and recommends that Metro issue the proposed license to Ridwell.



Ridwell Portland Warehouse location

Under Metro Code Section 5.01.080, the proposed license is to be approved or denied by the Chief Operating Officer (COO). On March 16, 2020, the COO delegated to the Policy and Compliance Director (the Director) authority to carry out the COO's responsibilities under Metro Code Chapter 5.01 for approving or denying a solid waste facility license. As such, the Director is authorized to approve this proposed license.

APPLICANT

The Ridwell Portland Warehouse is owned and operated by Ridwell Inc., headquartered in Seattle, Washington. The facility receives source-separated recyclables, reusable materials, and certain special waste (such as batteries and lightbulbs) that are collected as part of Ridwell's residential subscription service. Ridwell provides doorstep collection of hard-to-recycle items including plastic film, batteries, light bulbs, clothing, #1 PET plastic clamshell takeout containers, Styrofoam, as well as a rotating category of reusable items such as handheld tools, bike accessories and holiday lights for the purpose of reuse or recycling. Generators source-separate items into cloth or plastic bags provided by Ridwell and place the bags into or near the Ridwell-provided doorstep bin on the day of collection. Using a proprietary phone app, Ridwell drivers track which material type is collected from each household and is able to provide direct feedback to the customer about obvious contamination or material preparation errors.



Collection bags and bin provided to customers by Ridwell.



Ridwell Portland Warehouse - 7006 NE 79th Court, Portland

The collected materials are transported to the Ridwell Portland Warehouse, where they are sorted, screened for unacceptable waste and consolidated for transport to reuse and recycling markets. To minimize risk of fires and release of toxins due to breakage, additional DEQ-approved special waste management plans are in place for household batteries, lightbulbs, and covered electronic devices as defined in ORS 459A.305. The facility has two balers in place to mechanically compact plastic film and plastic clamshells for more efficient storage and transport. The facility then transports the recyclable materials to local and national markets or partner reuse organizations as identified on Ridwell's website at Ridwell.com/transparency. The facility separates any non-recyclable waste that it inadvertently receives, and disposes it through standard commercial waste collection service in the city of Portland.

Ridwell Inc. was founded in Seattle in 2018. Ridwell launched its subscription service in Portland in December 2020 and residents in other local jurisdictions began requesting this service soon after. Ridwell began operating out of the Portland Warehouse in February 2021.

In April 2021, Metro staff toured the Ridwell facility to learn more about the operation. On May 12, 2021, Metro staff notified Ridwell that it must apply for and obtain a Metro solid waste facility license for the waste consolidation and processing activities performed at the Portland Warehouse. Metro and Ridwell held a virtual pre-application meeting on June 9, 2021, with DEQ staff in attendance. Metro held a follow-up meeting with Ridwell on June 23, 2021, and notified Ridwell that it must submit a license application for the Portland Warehouse by Sept. 30, 2021, or stop performing waste related activities at that location. Metro allowed the Portland Warehouse to continue to operate during the licensing process as long as the facility submitted its application on time and complied with Metro's application requirements.

Ridwell submitted an application to Metro requesting a new Solid Waste Facility License on Sept. 29, 2021. The property is zoned General Employment 2 (EG2) and the proposed use is allowed outright in this zone by the city of Portland as indicated on the Land Use Compatibility Statement signed by a representative of the City. Metro received the \$300 application fee from the applicant and on Oct. 21, 2021, the application was deemed complete, pending the submission of an Oregon Department of Environmental Quality (DEQ) Solid Waste Disposal Site Permit application for a transfer station/material recovery facility which is a required element of a Metro license. The applicant submitted its permit application to DEQ on Nov. 29, 2021 and provided a copy to Metro on Dec. 2, 2021.

PUBLIC NOTICE AND OPPORTUNITY TO COMMENT

On Nov. 1, 2021, Metro issued public notice and provided the public an opportunity to review and comment on the license application for 30 days. A description of the proposed facility and the license application was available at oregonmetro.gov/Ridwell. Interested parties could submit comments via an online form or leave a voicemail on a multi-language phone line. Postcards with information in six

languages about the proposed license and comment period were mailed to 175 businesses, residents and owners of properties located within approximately one-quarter mile of the facility. Notice was also emailed to community based organizations and neighborhood associations located in the vicinity of the facility, and emailed to stakeholders with general interest in solid waste issues. On Nov. 17, 2021, Metro held a virtual public information session to provide an overview of the facility application, application process and how to submit comments. Seventeen people attended the meeting, all of whom were identified as representatives of Metro, DEQ, local governments, hauler associations, and the press. Metro's public comment period ended on Nov. 30, 2021.

Metro received 56 comments during the public comment period all of which were submitted by the general public except for two submitted by Washington County and city of Lake Oswego. Forty-six comments expressed general support for Ridwell's services, 38 comments mentioned support for the facility or approval of the license application, and 20 commenters self-identified as Ridwell customers. None of the comments expressed opposition or concerns about the facility license application. Staff identified four main themes within the comments as summarized below with Metro's response. Staff does not recommend any special license conditions based on the comments received. In addition, a document containing all of the comments that Metro received and Ridwell's response to those comments is attached.

Summary of Comments:

1. Support of Ridwell's collection service

Metro received several comments in support of Ridwell's collection service which provides doorstep pickup of hard-to-recycle items that are not part of the standard curbside recycling collection service provided by haulers. These comments praised the convenience of Ridwell's service and the opportunity for reuse; expressed the need for increased recycling, especially of plastics; and stated the importance of keeping waste out of landfills.

Metro response:

Metro thanks those who took time to provide comment. Cities and counties oversee local collection services for recycling, yard debris, food waste and garbage in their respective jurisdictions. Metro oversees the facilities that receive or process garbage and recycling and ensures that local collection programs meet minimum state and regional requirements. There are a number of standard source-separated recyclable materials that are approved for general curbside collection across the Metro region, but each local government reviews and approves the collection services offered in their respective jurisdictions in accordance with its code and administrative rules. Staff does not recommend any special license conditions based on these comments.

Recycling helps reduce waste, use fewer resources and protect the environment for future generations. Metro acknowledges that Oregon's recycling system was created decades ago – and it wasn't built for what is collected curbside today. The Plastic Pollution and Recycling Modernization Act (Senate Bill 582) will update Oregon's outdated recycling system by building on local community programs and leveraging the resources of producers to create an innovative system that works for everyone. The Oregon legislature passed SB 582 during the 2021 legislative session. It was signed by Governor Brown on Aug. 6, 2021. The new law became effective Jan. 1, 2022 and recycling program changes will begin in July 2025. This system-wide update will make recycling easier for the public to use, expand access to recycling services, upgrade the facilities that sort recyclables, and create environmental benefits while reducing social and environmental harms, such as plastic pollution. Producers and manufacturers of

packaging, paper products and food service ware will pay for many of these necessary improvements and help ensure recycling is successful in Oregon.

2. Operational impacts

One comment asked if the new application will change the type of the materials accepted, amount of recycling collected, or collection vehicles used compared to 2021.

Metro response:

The information presented by Ridwell in the application is a snapshot in time. If Ridwell's collection business grows, it's reasonable to assume the amount of materials flowing through the facility will increase as well. If the proposed license is approved, the facility must operate in accordance with the provisions of its license and Metro-approved operating plan. Metro facility inspectors will perform routine inspections to monitor compliance. The proposed license would not change the types of materials that are currently received at the facility. The proposed license would authorize the facility to accept source-separated recyclable material, reusable materials, and certain special waste (such as batteries and lightbulbs) for the purpose of consolidating and transporting the material to reuse and recycling markets. Staff does not recommend any special license conditions based on this comment.

3. Need for regulation

Metro received two comments that supported approval of the proposed license but did not agree that a license was necessary due to the unique services that Ridwell provides and fewer perceived neighborhood impacts as compared to a material recovery facility like West Rock, which uses heavy machinery in its operations.

Metro Response:

Metro Code Chapter 5.01 specifies that a Metro solid waste facility license is required for certain types of waste related activities. In particular, any facility that receives, processes or consolidates recyclable materials must obtain a Metro license. Metro sets requirements for these types of facilities to ensure that they properly manage the waste they receive. All Metro licensed facilities must operate in a manner that protects public health and safety and safeguards the environment, as outlined in the license. Staff does not recommend any special license conditions based on these comments.

4. Request that Ridwell is required to operate in compliance with applicable law

Two local governments in the Metro region, Washington County and Lake Oswego, submitted comments requesting that Metro include a provision in the proposed license that requires the applicant to conform to all rules, regulations and requirements imposed by other agencies and jurisdictions. Specifically:

- Lake Oswego requested a license provision "...requiring that materials accepted at the facility are collected, transported, and processed in accordance with applicable local, state, and federal rules and regulations."
- Washington County requested a provision "...requiring that materials collected and received at the facility have been collected, transported, and stored in accordance with applicable local, regional, state, and federal rules and regulations." As an example, the County pointed to a provision in a Metro franchise which authorizes a transfer station to only accept putrescible waste from a person who is permitted by a local government unit to collect and haul putrescible waste.

Metro Response:

The proposed license includes a standard provision that states in part, that the licensee must, “fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative rules, whether or not those provisions have been specifically mentioned or cited in this license.” Staff finds that this standard license provision addresses the comments submitted by Washington County and the city of Lake Oswego.

The comment submitted by Washington County referenced a Metro requirement related to franchised haulers accessing facilities. That specific requirement is included in franchises for transfer stations that are authorized to receive putrescible waste. The proposed Ridwell license does not authorize the acceptance of putrescible waste and therefore, this provision does not pertain to this type of facility. In addition, this franchise provision is unnecessary because the proposed license requires the licensee to comply with all applicable laws. Staff does not recommend any special license conditions based on these comments.

Ridwell provided a response to the comments from Lake Oswego and Washington County expressing concern that including a provision unique to Ridwell would inappropriately single out the facility without any basis and would not benefit Metro’s regulatory oversight of the facility. Ridwell also acknowledged that the standard “Compliance with Law” provision included in all Metro licenses grants Metro broad authority to require compliance with all applicable laws pertaining to the Ridwell license and no other special provision is warranted.

METRO CODE LICENSE REQUIREMENTS

Ridwell participated in a pre-application conference with Metro on June 9, 2021, and subsequently submitted to Metro a complete license application and the appropriate application fee of \$300, as required by Metro Code Chapter 5.01. The application was deemed complete on Oct. 21, 2021.

Pursuant to Metro Code 5.01.180, a license application must include the following information:

- (1) *Proof that the applicant can obtain the types of insurance specified by the Chief Operating Officer during the license term;*

The applicant has provided documentation demonstrating that it meets Metro’s insurance requirements.

- (2) *A copy of all applications for necessary DEQ permits, any other information required by or submitted to DEQ, and a copy of any DEQ permits;*

The applicant has submitted a copy of its application for a DEQ Solid Waste Disposal Site Permit which was submitted to DEQ on November 29, 2021 and to Metro on Dec. 2, 2021. On Feb. 28, 2022, DEQ opened a 35-day public comment period on a proposed permit for a transfer station/material recovery facility. A virtual public hearing was held on March 30, 2022. The public comment period closed on April 5, 2022. DEQ did not receive any comments during the public comment period. On April, 7, 2022, DEQ issued Solid Waste Disposal Site Permit No. 1707 to Ridwell, with an expiration date of Feb. 16, 2032.

- (3) *A copy of any closure plan that DEQ requires, including documents demonstrating financial assurance for the costs of closure. If DEQ does not require a closure plan, the applicant must provide a closure document describing closure protocol for the solid waste facility at any point in its active life;*

DEQ finds that Ridwell Portland Warehouse is a low-risk facility based on the wastes accepted, collection, handling and storage procedures, and that the wastes are not deposited permanently at the site but are removed regularly. Therefore, DEQ finds the facility exempt from financial assurance requirements. The facility has included a closure plan in the operating plan submitted to Metro.

- (4) *Signed consent by the property owner(s) agreeing to the proposed property use. The consent must also disclose the applicant's property interest and the duration of that interest. The consent must include a statement that the property owner(s) have read and agree to be bound by the provisions of Section 5.01.320(f) if Metro revokes the license or refuses any license renewal;*

The applicant submitted a property use consent form signed by the property owner, which includes a consent to be bound by the provisions of Metro Code. The applicant has a lease on the property through February 2024. Staff will monitor the term of this lease to ensure that the licensee provides an updated property use consent form when a renewed or extended lease is in place. Metro may suspend or terminate the license if property use consent changes or is revoked.

- (5) *Proof that the applicant has received proper land use approval; or, if the applicant has not obtained land use approval, then a written recommendation of the planning director of the local governmental unit having land use jurisdiction regarding new or existing disposal sites, or alterations, expansions, improvements or changes in the method or type of disposal at new or existing disposal sites. The recommendation may include, but is not limited to, a statement of compatibility of the site, the solid waste disposal facility located thereon and the proposed operation with the acknowledged local comprehensive plan and zoning requirements or with the statewide planning goals of the Land Conservation and Development Commission; and*

The applicant provided a copy of a Land Use Compatibility Statement signed by a representative of the city of Portland stating that the proposed use of the site is allowed outright.

- (6) *Any current permit and a list of anticipated permits that a governmental agency may require. If the applicant has previously applied for a permit, the applicant must provide a copy of that permit application and any permit that any other government agency granted.*

A DEQ Solid Waste Disposal Site Permit is the only permit that is required by a governmental agency at this time. The applicant has provided a copy of the permit application.

COMPLIANCE HISTORY OF THE APPLICANT

When evaluating a license application, Metro considers an applicant's compliance history with other regulatory entities like DEQ and local jurisdictions. While Metro and DEQ oversee operations at solid waste facilities like the Portland Warehouse, cities and counties regulate collection services for recycling, yard debris, food waste and garbage in their individual jurisdictions and are responsible for interpreting and enforcing their respective requirements. Approval of the proposed license does not relieve Ridwell from complying with the collection requirements of local governments or any requirements imposed on the facility by DEQ.

DEQ

On Sept. 13, 2021, DEQ requested that Ridwell apply for a DEQ solid waste permit by Oct. 15, 2021. Ridwell requested, and DEQ granted a 30-day extension until Nov. 15, 2021. Ridwell failed to submit an application by the deadline set by DEQ and on Nov. 17, 2021, DEQ issued a Warning Letter with Opportunity to Correct to Ridwell for establishing a disposal site without first obtaining a DEQ solid waste permit. DEQ required that by Nov. 30, 2021, Ridwell either submit a complete solid waste transfer station/material recovery permit application or cease solid waste transfer station and material recovery activities at the Portland Warehouse. Ridwell submitted the permit application to DEQ on Nov. 29, 2021 and the matter is resolved.

Local Governments

In 2021, Washington County, Clackamas County, Beaverton, Gresham, Lake Oswego and Tualatin each notified Ridwell that its collection service violated local code and administrative rules. As mentioned earlier in this staff report, each jurisdiction has its own process for reviewing and approving the collection services offered in their jurisdiction in accordance with their code and administrative rules. Solid waste staff in many local jurisdictions continue to work with their elected officials to identify policy direction that would either amend code and administrative rules to allow Ridwell to continue to collect hard-to-recycle items from residential customers for a fee, or find ways to provide collection of hard-to-recycle items to all residents within the existing collection franchise system framework.

In November 2021, Clackamas County issued a violation to Ridwell for collecting solid waste for compensation without a franchise or subcontract in unincorporated Clackamas County and Happy Valley. Ridwell has since ceased collection in those areas. In December 2021, Washington County issued a notice of non-compliance to Ridwell for violating Section 8.04.120 of County Code for collecting solid waste for compensation without a certificate issued by the Board of Commissioners. Ridwell ceased collection in Washington County as a result, but in January 2022, the Washington County Board of Commissioners adopted a temporary rule that allows Ridwell to operate while County staff develop a proposal to offer a similar service through haulers that hold collection certificates in the county. Ridwell has since resumed collection in Washington County.

While local governments are responsible for regulating collection services within their respective jurisdictions, the proposed license is related to the operations at the Portland Warehouse facility. These are separate matters and Metro staff will continue to monitor the situation and coordinate with local jurisdictions as they develop policy recommendations.

STAFF RECOMMENDATION

Staff recommends issuing new Solid Waste Facility License No. N-196-22 to Ridwell, Inc. authorizing it to receive and process source-separated recyclable and reusable materials and certain special waste generated by residential customers. If approved, the proposed license will take effect on April 19, 2022 and expire on June 30, 2027. A copy of the proposed license is attached for your signature.

Attachments:

- Proposed solid waste facility license No. N-196-22
- Ridwell Inc. solid waste facility license public comments