



**Marion County**  
OREGON

Board of Commissioners

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Jan Fritz

**Date:** February 13, 2020

**To:** Chair Karin Power & Members of the  
House Committee on Energy & Environment

**From:** Marion County Board of Commissioners

**RE:** HB 4049 – Response to Feb. 10, 2020 article regarding Marion County’s  
solid waste program

On February 10, 2020, the Statesman Journal posted an article to its website regarding Marion County’s solid waste program. The article contains factual errors and other information that is misleading at best.

In the 1980s Marion County took a risk and invested in the county’s solid waste system by partnering with an energy-from-waste facility as final disposal of the county’s trash. This partnership has allowed the county to develop one of the most comprehensive waste management systems in Oregon which prioritizes waste reduction and recycling.

When the bonds for the facility were paid in 2009, Marion County benefited from the sale of electricity produced by the energy-from-waste facility. We knew this additional revenue was limited duration as our contract with Covanta was close to expiring and electricity markets had substantially changed in the intervening 30 years. Electrical revenue had been saved as the county began discussions on what to do with this one time revenue source.

In the mid-2000s Marion County was faced with two catastrophic incidents that included damage to the Marion County Courthouse from arson and structural defects to the Courthouse Square complex. Fortunately, the county had sufficient reserves to supplement insurance and other proceeds to fully complete repairs without increasing debt or fees and without using tax dollars. We are thankful to have had an available resource when we needed it most.

Other than to fund repairs to both the County Courthouse (\$7 million) and Courthouse Square (\$12 million), Marion County has not used electrical revenue for other purposes. These amounts were incorrectly reported in the article.

The article draws a conclusion that the county's use of electrical revenue for these one-time repairs is the reason tipping fees were raised in 2016—the first time this fee was increased in 24 years. There were many factors that went into this decision including economic changes over more than 20 years of operation.

Other factual errors in the article include the number of employees in the Environmental Services division. The article states that the county has increased the number of employees from 12 in 2009 to 39 today. In 2009, the number of budgeted employees was 26 and included employees from both the solid waste and parks divisions. The reporter was provided with a spreadsheet indicating which positions within the division were funded through the solid waste program and separate funding streams for other programs in the division.

The largest growth in positions is for the Stormwater division which had zero employees in 2009 to almost seven this year. This program was created as a result of new federal requirements under the county's National Pollutant Discharge Elimination System (NPDES) permit. These positions are fully supported by stormwater fees collected from within the stormwater service district. Similarly, employees assigned to parks and service district functions are funded through sources other than the solid waste program including the general fund, state RV permit fees, and service district fees.

The reporter states that Marion County had an unrestricted reserve balance of negative \$951,715. The number was taken from a line item in the Comprehensive Annual Financial Report (CAFR) stating the Environmental Services Fund's unrestricted net position. The net position and the budgetary fund balance are very different. Per county finance staff, there were changes in reporting due to Governmental Accounting Standards Board (GASB) standards that now account for pension liability (PERS); other post-employment benefits (OPEB) such as retiree health insurance; and capital assets depreciation that now affect the county's financial reporting of net position. The reporter did not inquire about this line item and speculated as to its meaning.

In addition, Marion County's reserve requirements are different now that the energy-from-waste bonds have been paid. Oregon DEQ required landfill liability reserves are now based on the combined cash balances of the Environmental Services and General Funds.

The article quotes Oregon Physicians for Social Responsibility regarding use of renewable energy credits (RECs) exclusively for new renewable energy projects without mentioning that several landfills receive RECs for existing technology under the same legislation that initially provided RECs to Covanta Marion. Covanta and Marion County are simply seeking a level playing field.

Finally, the article describes the Environmental Services division as providing recycling and environmental education. Those are two examples of the responsibilities of the division. Environmental Services operates two transfer stations, two landfills, a household hazardous waste facility, 17 parks and a stormwater program—as well as providing environmental outreach and education.

Marion County works hard to provide clear and accurate information to our constituents and media partners. Please feel free to contact Marion County at [commissioners@co.marion.or.us](mailto:commissioners@co.marion.or.us) if you have questions about any of our programs or services.