Board of Public Works

Kent County Bioenergy Facility Work Session

June 15, 2023
Agenda

• Decision Timeline
• Key Decisions
• Anaergia Presentation
• Next Steps
• Q&A
• Public Comment
VISION
Our vision is to implement sustainable materials management strategies to reduce dependency of landfill disposal.

MISSION
Our mission is to foster collaborative and innovative solutions that deliver value to our stakeholders by managing discarded materials to conserve natural resources and promote a healthy, vibrant and sustainable community.
1. Kent County Bioenergy Facility is consistent with the Kent County Solid Waste Management Plan.

2. Approve and recommend the Kent County Bioenergy facility project to Board of Commissioners including:
   1) Construction & Service Agreement with Anaergia.
   2) Countywide flow control ordinance to ensure sufficient feedstocks.
   3) County revenue bond leveraging public/private investments in the project.
KCBF Construction & Service Agreement

Includes:

• 25-year contract
• Delivery provision of 400,000 TPY of MSW feedstock
• Processing fee paid to Anaergia
• Insurance
• Default and remedy provisions
• Performance guarantees for Anaergia
• Facility design & equipment specifications
• Cost of Construction
• Operating parameters
• Maintenance
• Amendment Process
Countywide Flow Control Ordinance

- Ensures sufficient feedstock for Waste-to-Energy after 2025 and the Kent County Bioenergy Facility in 2027.
- Rate equity in Kent County – “everyone pays same tip fee”.
- Designates the facilities for delivery- Waste-to-Energy, North Kent Transfer Station, Kent County Bioenergy Facility.
- Defines type of material – municipal solid waste (MSW).
- Outlines process for exemptions by material/location/customer.
- Allows DPW to capture and process ~20% MSW leaving the County today.
- Effective (2023) and Compliance (2026)
Revenue Bond for KCBF

• Follows the financing model used for Waste-to-Energy.
• 25-year revenue bond to be paid from tipping fees.
• Flow control ensures sufficient waste volumes to be delivered to designated facilities - Waste-to-Energy, North Kent Transfer Station, Kent County Bioenergy Facility.
• Provides public funding (~20% of total) for public/private Kent County Bioenergy Facility investment.
• Well below authorized maximum for bonding capacity.
Sustainable Business Park

Update:

- Planned Unit Development Zoning approved by Dorr Township Planning Commission
- Approved by Allegan County’s Solid Waste Planning Committee
- Kent & Allegan Road Commission - Class A Road
- EGLE: Wetland Permit & Solid Waste Processing Permit
- Utilities: Gas, Electricity, Water, Sewer
- Site Preparedness & Grading would begin in Q3 2023
- Design Standards
- Secondary Tenants – The Right Place
Sustainable Business
Park Update:

• Stimulate the local economy and create high tech Jobs
• Innovation and catalyst to grow and attract new industry
• Leveraging private investment
• Enhance portfolio of waste outlets for local business
Developing a 2026/27 Systemwide Tipping Fee Estimate

Financial Model Assumptions

- WTE, KCBF, SKL & NKTS capital and operating expenses
- Volume estimates for MSW subject to flow control
- Volume estimates for market rate material
- 2013 closure of SKL and ongoing environmental compliance and legacy landfills
- Transfer of processable MSW
- Transfer of non-processable and residual material to landfill
- Revenue projections for energy and commodities
- Inflation, depreciation, taxes, insurance, and refurbishment

Projected 2026/27 Systemwide (WTE/NKTS/KCBF) Tipping Fee:

$87-$94 per ton
Funding Secured or Pending

$100M ITC-IRA*
$5M MPSC (secured)
$4M EGLE (secured)
$4M EPA
$2.5M EDA

* must begin construction before January 1, 2025
<table>
<thead>
<tr>
<th>Year</th>
<th>Board Approvals</th>
<th>Flow Control &amp; Tipping Fee Timeline</th>
<th>Alternate Path</th>
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<tr>
<td>2023</td>
<td>SBP &amp; KCBF Timeline</td>
<td>Countywide Flow Control Ordinance Effective</td>
<td>Landfill Approval</td>
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<tr>
<td>Q3</td>
<td>SBP Sitework (phase 1)</td>
<td>Countywide Flow Control Implementation Rules Developed</td>
<td>Landfill Permitting and development</td>
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<td>Q4</td>
<td>KCBF Construction &amp; Commissioning</td>
<td>WTE Flow Control Agreements Expire with 6 cities</td>
<td>WTE Model Change</td>
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<td>Q1</td>
<td>KCBF fully operational</td>
<td>Countywide Flow Control Compliance</td>
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<td>Q2</td>
<td>SBP secondary tenants Project Development Agreements</td>
<td>Systemwide Tipping Fee for MSW</td>
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<td>Q3</td>
<td>SBP secondary tenants permitting construction (phase 1)</td>
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<td>Q4</td>
<td>SBP secondary tenants operational</td>
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<td>Q1</td>
<td>Bonding and Financing</td>
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<td>Q2</td>
<td>Bond repayment begins</td>
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