



**KENT COUNTY BOARD OF PUBLIC WORKS**

**September 2, 2021**

**8:30 AM**

**Earl G. Woodworth Building  
Meeting Room Chambers  
1500 Scribner Avenue NW  
Grand Rapids, Michigan 49504**

**MEMBERS PRESENT:** Commissioner Brieve, Skaggs, Yonker, Greene, Bulkowski, Ponstein

**MEMBERS ABSENT:** Commissioner Janes

**OTHERS PRESENT:** Darwin Baas, Director; Kimberly Williams, Finance Division Director; Alisha Barber, Office Administrator; Molly Sherwood, Environmental Compliance Manager; Paul Smith, WTE Operations Manager; Nic VanderVinne, Resource Recovery and Recycling Manager; Dan Rose, Solid Waste Operations Manager; Kristen Wieland, Marketing & Communications Manager; Isaac Thaler, Recycling Facility Supervisor; Katelynn Kirkstra, Resource Recovery Specialist; Lauren Westerman, Resource Recovery Specialist; Craig Paull, Indigent Defense Administrator/Attorney Administrator/Controller; John Van Tholen, Van Tholen & Associates; Steve Faber, Byrum & Fisk Advocacy Communications; Diane Druckenmiller, Arrowwaste; John Gorney, City of Grand Rapids; Steve Simmons, Gershman, Brickner & Bratton; Rick Chapla, RC Consulting; Mayor Stephen Kepley, City of Kentwood; Josh Lunger, Grand Rapids Area Chamber of Commerce; James Hurt, City of Grand Rapids; Mayor Rosalynn Bliss, City of Grand Rapids; Steve Warren, Kent County Road Commission; Tim Mroz, The Right Place

**I. Call to Order**

Meeting called to order at 8:31 a.m. by Chair Emily Brieve.

**II. Consent Agenda**

- A. Review and Approval of Minutes
- B. Approval of Monetary Outlays

**Motion**

It was moved by Commissioner Yonker and seconded by Commissioner Ponstein to approve the Consent Agenda.

The Consent Agenda was approved by the following vote:

**YEAS:** Commissioners Brieve, Yonker, Ponstein, Bulkowski, Greene, Skaggs

**ABSENT:** Commissioner Janes

**NAYS:** None

### III. Administration

#### A. SBP Anchor Tenant Presentation & Recommendation

Director Baas, Steve Simmons from Gershman, Brickner & Bratton, Tim Mroz from The Right Place and Steve Faber from Byrum & Fisk Advocacy Communications discussed the SBP Anchor Tenant PowerPoint slides. Here are highlights:

- Kent County generates 1 million tons of discards per year.
- Some of the Kent County Department of Public Works (KCDPW) operating philosophy approach is from Vern Ehlers. A couple quotes were discussed:
  - "...we eventually will reach the point where recycling is a fact in Kent County, and the amount of refuse going directly into the landfill is less than 20% of the total amount produced in Kent County."
  - "...I would rather have my children undertake a state debt of reasonable proportions, than to expose them to the threat of contaminated drinking water, polluted Great Lakes, toxic health hazards and garbage without end. That is not the legacy I wish to leave future generations of Michigianians."
- How we got here:
  - In 2016, a waste characterization study was performed, the Goal: Reduce landfilled waste by 90% by 2030 was established and the roadmap to "re-imagine trash" with the Sustainable Business Park (SBP) was approved.
  - In 2017, the Sustainable Business Park Master Planning Process began.
  - In 2018, the SBP Master Plan was approved.
  - In 2019, additional studies were performed which included business development and infrastructure analysis.
  - In 2020/2021, the Anchor Tenant request for proposal was issued and the evaluation process was completed.
- Groups involved throughout the SBP process:
  - Kent County Board of Commissioners, Kent County Board of Public Works, Municipal Solid Waste Advisory Committee, Kent/Allegan SBP Advisory Committee, RFP Evaluation Committee, Evaluation Committee Advisors and Stakeholder Review Committee.
  - The Groups consisted of elected officials and staff from six cities, Kent & Allegan Counties, Kent & Allegan Townships, Non-profits (economic development, environment, and education). Also, from the Private Sector (recycling & organics, manufacturers, and waste haulers).
- Procurement Process
  - After the request for proposal was released, DPW received nine responses. It was narrowed down to five and then down to two finalists.

- The matrix used to evaluate and to arrive at the final two:
  - Technology Maturity and Suitability
  - Diversion Rate, Business Development Plan and Environmental
  - Qualifications/Capability: Organization, Financial, Key Personnel
  - Net Cost to DPW
  - Project Plan and Understanding
- The RFP Evaluation Team consisted of:
  - The Right Place
  - Fishbeck
  - Plante Moran
  - Sustainable Research Group
  - Gershman, Brickner & Bratton
  - Kent County Purchasing Department
  - Byrum & Fisk Advocacy Communications
- The RFP Evaluation Team:
  - Interviewed the two finalists
  - Visited the two finalists for site tours
  - Plant Moran provided an in-depth financial analysis and completed a MEDC Staffing & Investment Pro Forma
  - Then, made the final selection
- Community Survey
  - Kent County Department of Public Works commissioned a survey of Kent County residents to measure public opinion on changes to how residential solid waste is handled and disposed of. The research firm EPIC-MRA administered the countywide phone survey of 600 adults residents from July 19, 2021 through July 27, 2021, with a sampling error of plus or minus 4.0 points; equal participation from northern, central and southern areas of the county; and representative of the county demographics.
  - The primary purpose of the survey was to test support for a change in residential waste disposal in Kent County. The proposed change was presented as increasing the cost of monthly trash service by \$5 in order to implement mixed waste processing and reduce waste going to a landfill.
  - Over 2/3 of all survey participants (67 percent) showed initial support for the proposed change. As respondents received additional information about the proposed change, support increased to 77 percent. By the end of the survey, after respondents heard statements supporting or opposing the proposed change, overall support for the proposed change rose to a final 81 percent. Support grew further when respondents opposed to the change were presented with a lower monthly increase for trash removal.
  - The most compelling reason respondents said they supported the proposed change was that the mixed waste processing plant would be privately funded, boost the local economy by creating new jobs and repurpose a significant amount of household waste. Preserving Kent County's natural beauty and not leaving a landfill legacy for future generations were the second and third most compelling reasons to support the change. Of those that opposed the

proposed change, roughly 50 percent cited the main reason for not supporting it was the increase in costs for the homeowner.

- The results of the survey show a high level of public receptivity to a change that would increase costs for the homeowner if it reduced the amount of household waste going to a landfill.
- System Financial Modeling
  - 654,000 tons per year Kent County MSW generation
  - Source-separated residential recyclables processed at anchor tenant
  - Recovered recyclables valued at historical averages
  - 2020 DPW actual expenses as baseline
  - WTE excess waste directed to anchor tenant to eliminate cost of transfer
  - Mixed waste residue and NKT bypass waste expense of \$35 per ton
  - Revenue sharing for residential recyclables; same risk as current MRF
  - Proprietary products have guaranteed price (vendor takes the risk)
  - DPW Bonds: 25-year term, 3% coupon rate
- Summary Comparison

**Continuus Materials +Anaergia**

- Balance sheet acceptable
- Experienced EPC
- Medium DPW bonding requirements
- Moderate risk on DPW revenue sharing
- 60% diversion
- Lower Tipping Fee

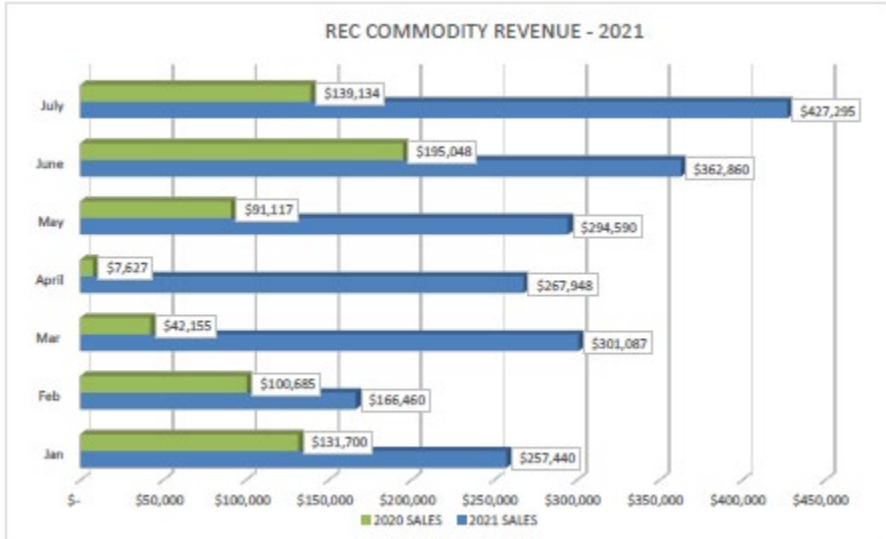
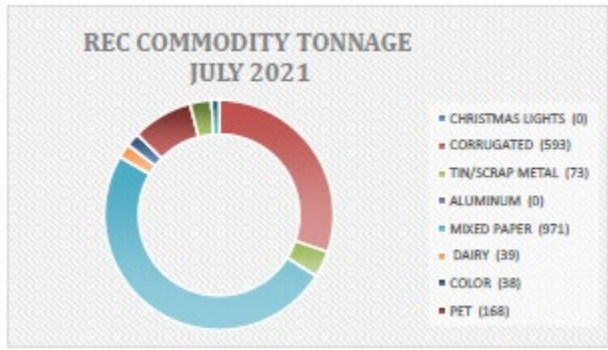
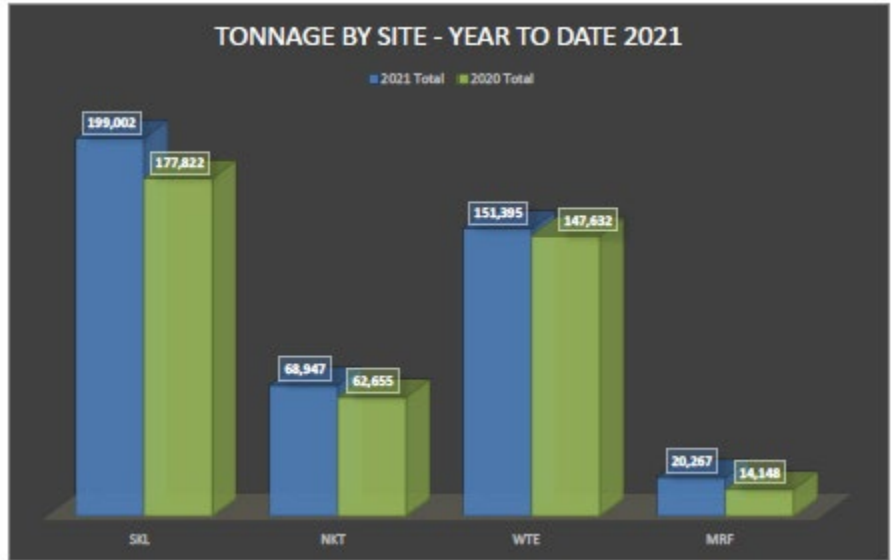
**Urbaser**

- Balance sheet acceptable
- Highly experienced EPC
- High DPW bonding requirements
- High risk on DPW revenue sharing
- Minimum 50% diversion
- Higher Tipping Fee

- The team recommends Continuus Materials + Anaergia. The Continuus Materials + Anaergia will be able to produce:
  - Roof Coverboard
    - For every 1000 square feet of Everboard installed, 2000 pounds of discarded paper and plastic is diverted from landfills.
    - Proposed panel manufacturing facility will produce 150M ft2 of Everboard per year.
  - Fertilizer
  - Renewable Natural Gas
  - Recyclable Commodities
- Next Steps
  - Work Session with Board of Commissioners - September 7
  - Stakeholder feedback sessions – September 7-29
  - Project Development Agreement (PDA) development
  - October 7 BPW meeting:
    - Approval for extension of moratorium on landfill development until the end of the PDA (no more than 30 months)
    - Approval to advance to a PDA with selected respondent for RFP 4041
  - Feedstock agreement development

**IV. Director's Report**

**A. DPW at a Glance**



B. Organics Management Study

Director Baas discussed the Organics Management Study provided in the Agenda Packet.

**V. Public Comment/Miscellaneous**

Commissioner Bulkowski discussed why he is stopped at the solid waste fee increase and is for the public transportation fee increase.

**VI. Adjournment**

The meeting was adjourned at 10:01 a.m.