



**KENT COUNTY BOARD OF PUBLIC WORKS**

**February 2, 2023**

**8:30 AM**

**Kent County Department of Public Works**

**Large Conference Room, 2<sup>nd</sup> Floor**

**977 Wealthy St. SW**

**Grand Rapids, MI 49504**

**MEMBERS PRESENT:** Commissioner Brieve, Janes, Pachla, Yonker, McCloud, Greene, Burrill

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** Darwin Baas, Director; Kimberly Williams, Finance Division Director; Alisha Barber, Office Administrator; Paul Smith, WTE Operations Manager; Becky Dyer, Division Financial Supervisor; Nic VanderVinne, Resource Recovery and Recycling Manager; Dan Rose, Solid Waste Operations Manager; Molly Sherwood, Environmental Compliance Manager; Steve Faber, Marketing & Communications Manager; JD Ham, Safety Manager; Wayne Arndt, Systems Administrator; Ron Mills, Civil Engineer I; Katelyn Kikstra, Waste Reduction Educator; Jonathan Neracher, Resource Recovery Specialist; Chelsea Goodrich, Account Clerk I; Adam Canute, Compliance Specialist; Stephanie Lee, Risk Manager; Russ Boersma, Arrowwaste; Diane Druckenmiller, Arrowwaste; John Gorney, City of Grand Rapids; James Hurt, City of Grand Rapids; John Van Tholen, Van Tholen & Associates; Ben Bosch, Bin There Dump That; Josh Lunger, Grand Rapids Area Chamber of Commerce; Jesse Douglas, Vicinity; Katie Calson, Arthur J. Gallagher; Jill Kizyma, Arthur J. Gallagher; Nick Terlecki, Arthur J. Gallagher; John Considine

**I. Call to Order**

Commissioner Brieve called the meeting to order at 8:30 a.m.

**II. Consent Agenda**

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

## **Motion**

It was moved by Commissioner Janes and supported by Commissioner Burrill to approve the Consent Agenda.

Motion carried unanimously.

### **III. Administration**

#### **A. EGLE Recycling Infrastructure Grant for NKTS – AR**

Director Baas reviewed the action request. Kent County DPW is pursuing local, state, and federal grant funding for infrastructure needs and submitted a funding request to the Michigan Department of Environmental, Great Lakes, and Energy (EGLE) for equipment to be located at the North Kent Transfer Station.

EGLE awarded \$499,999 to DPW for baler equipment to direct bale old corrugated cardboard (OCC) at the North Kent Transfer Station and eliminate the cost of transporting loose OCC to the Recycling & Education Center to be processed.

DPW will leverage the EGLE grant funding with \$385,001 in 2024 CIP funds. The bailing equipment will be installed in the existing transfer station building that will be converted to a recycling drop-off facility to improve recycling access, reduce double handling of residential recyclables and operational costs for residential and commercial recycling at NKTS.

## **Motion**

It was moved by Commissioner McCloud and seconded by Commissioner Pachla to approve and recommend to the Kent County Board of Commissioners accept and appropriate to DPW a State of Michigan recycling infrastructure grant in the amount of \$499,999.

Motion carried unanimously.

Commissioner Greene joined the meeting at 8:34 a.m.

#### **B. EGLE Recycling Infrastructure Grant for REC – AR**

Director Baas reviewed the action request. Kent County DPW is pursuing local, state, and federal grant funding for infrastructure needs and submitted a funding request to the Michigan Department of Environmental, Great Lakes, and Energy (EGLE) for plant automation.

EGLE awarded \$406,000 to DPW for robotic sorting equipment to automate line sorting at the Recycling & Education Center addressing both chronic staffing shortages and the rising cost of temporary labor.

DPW will leverage the EGLE grant funding with \$174,000 in 2023 CIP funds. The robotic sorting equipment will reduce labor costs for processing residential recycling with a projected return on investment under 12 months.

## **Motion**

It was moved by Commissioner Janes and seconded by Commissioner Burrill to approve and recommend to the Kent County Board of Commissioners accept and appropriate to DPW a State of Michigan recycling infrastructure grant in the amount of \$406,000 for the Recycling & Education Center.

Motion carried unanimously.

### **C. EGLE – WMSBF MMCE Support for Kent County – AR**

Director Baas reviewed the action request. The Michigan Department of Environmental, Great Lakes and Energy is incentivizing counties to educate stakeholders on forthcoming opportunities and potential requirements to adopt sustainable materials management as a modern alternative to solid waste management. The EGLE Materials Management County Engagement grant seeks to create partnerships within regions and counties, understand current materials management gaps and challenges, highlight future changes to the planning process, and outline steps that can occur at the county/regional level to assist with the development of future materials management programs and infrastructure.

A \$12,000 grant will support outreach to public and private stakeholders, research of current practices in Kent County and western Michigan, educational events, and collaboration with other communities in the region. West Michigan Sustainable Business Forum will execute this grant for the County.

The above mention activities will dovetail with a future Materials Management Plan planning process that is anticipated to start in FY2024 year, when initiated by the EGLE Director, to update county Solid Waste Management Plans and transition to materials management plans to reflect changes in PA 451 Part 115 solid waste management statute passed by the legislature in December 2022.

## **Motion**

It was moved by Commissioner McCloud and seconded by Commissioner Pachla to recommend that the Kent County Board of Commissioners approve the West Michigan Sustainable Business Forum (WMSBF) as the designated planning agency for an EGLE Materials Management County Engagement grant.

Motion carried unanimously.

### **D. SBP – Kent County Bioenergy Facility PDA Update**

Director Baas provided an update on the Sustainable Business Park/Kent County Bioenergy Facility.

- Anergia submitted a grant proposal for the Low Carbon Energy Infrastructure Enhancement and Development Grant.
- DPW will move forward with the design. The bid request will start in April and our plan is to have proposals for review in May/June.

- DPW is working with Lakeshore Advantage to submit a 2.5-million-dollar grant request to Economical Development Administration. This federal grant is to fund internal infrastructure.

#### **IV. Waste to Energy Facility Operations**

##### **A. Purchase of Covanta Equipment/Mutual Release – AR**

Director Baas reviewed the action request. Covanta Kent, the operations & maintenance vendor for the Kent County Waste-to-Energy (WTE) facility, owns tools, inventory, plant supplies, furnishings and equipment used to operate the plant. The service agreement with Covanta Kent will expire on February 1, 2023.

To ensure continuity of operations, Covanta Kent has offered the sale of onsite tools, equipment, parts inventory, reagent chemicals and supplies needed to operate the facility. DPW and Vicinity Energy staff completed an inventory valuation to determine the fair market value of these items to be \$1.6M; DPW staff negotiated a discounted price of \$800,000 with a \$100,000 holdback until Covanta Kent resolves two equipment issues specified in the Agreement.

Under the terms of the agreement, Kent County will take title to all items to be maintained by Vicinity Energy under the terms of the Service Agreement, beginning February 2, 2023.

The Asset Purchase Agreement and Release includes provisions for mutual release from further liabilities and obligations for both parties. Corporate and outside counsel have reviewed the contract documents and approved them as to form.

#### **Motion**

It was moved by Commissioner Janes and seconded by Commissioner Pachla to approve and authorize the Director to sign the Asset Purchase Agreement and Release with Covanta Kent.

Motion carried unanimously.

##### **B. WTE Insurance Coverage – AR**

Director Baas reviewed the action request. The WTE property and general liability insurance renewals were solicited through Kent County Fiscal Services for 2023 coverage. Included in the packet are the summaries and recommendations from Fiscal Services and Risk Management.

The 2022 property insurance premium through Arthur J. Gallagher, with American Insurance Company (ACE), was \$405,281 and the 2023 premium is \$365,282, a 10% decrease. This decrease is predominately due to the decrease in the total insured value (TIV), adjusted with the new Vicinity agreement.

Terrorism coverage is quoted separately through Arthur J. Gallagher, with Lloyds of London. The 2023 premium of \$20,221 is an 11% decrease from \$22,635, the 2022 premium.

It is recommended to renew the general liability insurance through Arthur J. Gallagher with Chubb. The premium for liability coverage is a 28% decrease from \$212,081 to \$152,999, also based on the level requirements in the new Vicinity agreement.

**Motion**

It was moved by Commissioner Burrill and seconded by Commissioner Janes to approve and authorize the Director to acquire property and general liability insurance coverage for WTE as quoted by Arthur J. Gallagher.

Motion carried unanimously.

V. Accounting & Finance

A. 2024 CIP Budget – AR

Director Baas reviewed the action request. Annually, staff prepares a Capital Improvement Plan (CIP) five-year schedule from the Department. CIP budget expenditures include site trucks, transfer trailers, front end loaders, stationary equipment, and facility refurbishment over \$10,000 that are capitalized and depreciated.

The 2024 proposed CIP expenditures are provided in a 2024-2028 equipment replacement schedule that forecasts future capital equipment needs.

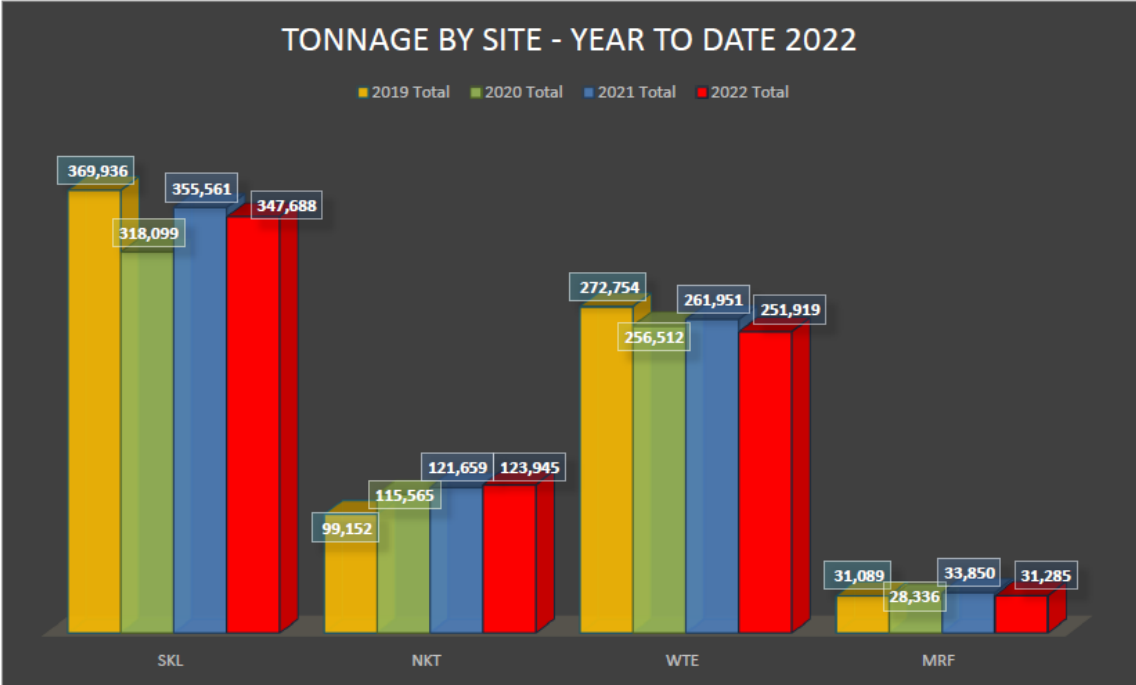
**Motion**

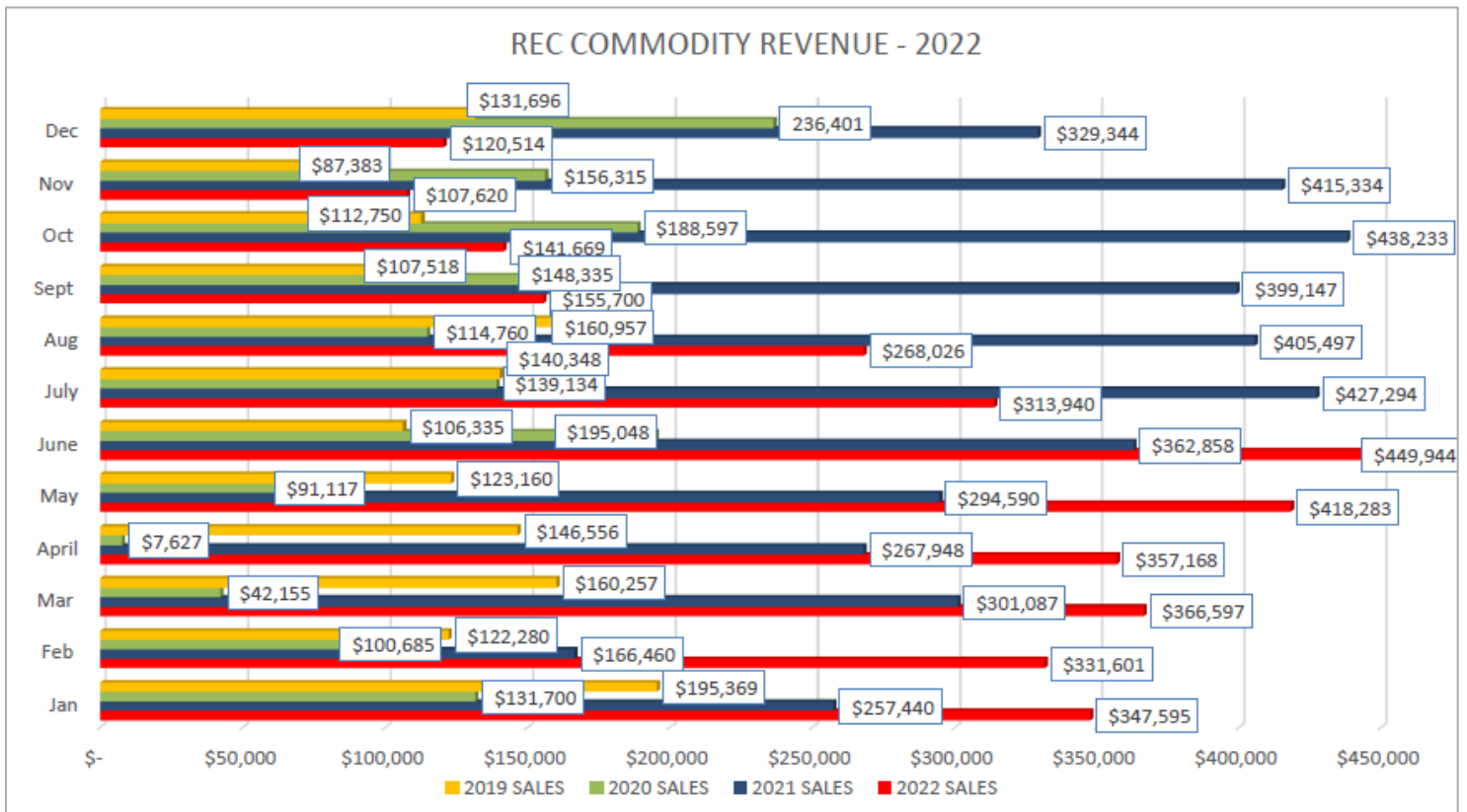
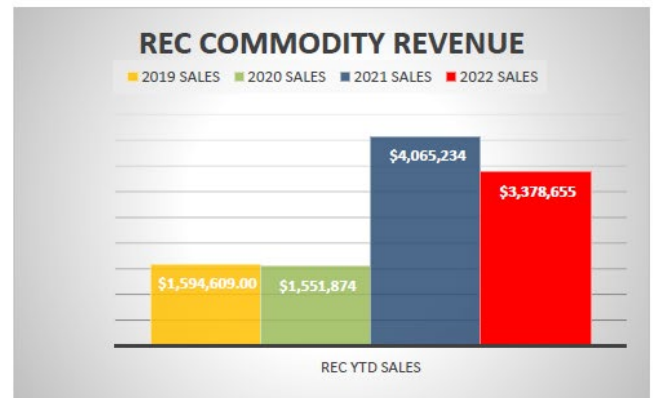
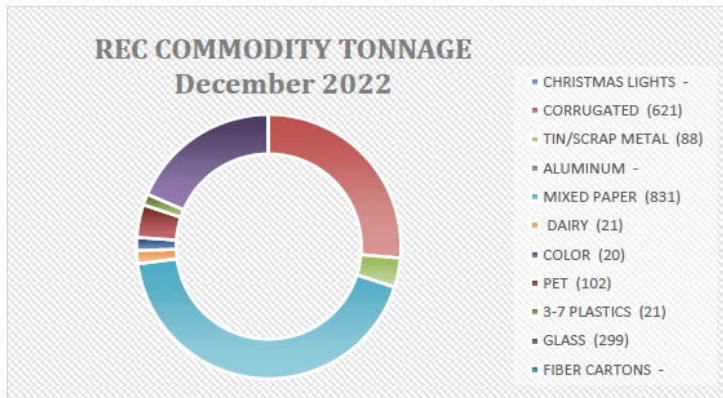
It was moved by Commissioner McCloud and seconded by Commissioner Janes to approve the 2024 Department of Public Works – Capital Improvement Plan (CIP) budget.

Motion carried unanimously.

VI. Director’s Report

A. DPW-at-a-Glance





VII. Public Comment/Miscellaneous

None.

VIII. Adjournment

The meeting was adjourned at 9:33 a.m.