

Recycling Facility Meeting Notes - November 25, 2024

Meeting Location: Fire Training Room

Roll Call:

Council Members Present:

Anna Stout
Dennis Simpson
Scott Beilfuss
Cody Kennedy

City Staff Present:

Andrea Phillips, Interim City Manager
John Shaver, City Attorney
Jay Valentine, Director of General Services
Jerod Timothy, Deputy Director of General Services
Angela French, Waste Reduction Coordinator

Purpose: Discuss the city's recycling program progress, challenges, and future direction.

Andrea Phillips welcomed attendees, including council members, city staff, and members of the public. She provided an overview of the meeting agenda, which included reviewing the project timeline, exploring options for expansion, discussing the RFP criteria and responses, and seeking council direction on the next steps.

Jay Valentine provided an overview of the business expansion timeline and a summary of developments since the city acquired Curbside Recycling Indefinitely (GJCRI) in 2022. On September 18, 2023, the findings of the Materials Recovery Facility (MRF) Feasibility Study were presented at a Council Workshop. The study compared a city MRF with a regional facility. Following a discussion during the October 2, 2023, Council Workshop, the city was directed to pursue a regional MRF.

A budget was presented at that time, which included funding for the design of a major regional MRF, subsequently approved in the 2024 adopted budget. In alignment with this directive, several potential sites were evaluated, including 333 West Avenue, the Climber site, land below the Orchard Mesa Cemetery, the Grand Junction Steel property, the Mesa County Landfill, the Sawmill property on Riverside Parkway near Los Colonias, and the Whitewater site.

During the site exploration phase, Bruin Waste submitted an unsolicited proposal identifying a potential partnership and a site with an existing building. On August 3, 2024, this proposal was presented during an executive session for additional direction. A subsequent meeting was held on August 13, 2024, relative to a possible contract with Bruin

Waste for a materials handling facility in Grand Junction. Following this executive session, the city developed a Design-Build MRF RFP.

On June 6, 2024, the city received an unsolicited proposal from Waste Management (WM) offering the use of its existing facility. At that point, negotiations with Bruin were paused, and on July 5, 2024, the city issued a Partnership RFP in the best interest of exploring different partnerships. On July 3, 2024, the Council adopted the Sustainability and Adaptation Plan, which set a goal to support the development of a regional MRF.

On August 2, 2024, the city evaluated RFP proposals submitted by Bruin Waste, Republic Services, and WM. Bruin Waste was interviewed on August 5, and WM was interviewed on August 8. City staff prepared a recommendation to present to the council on October 2, 2024. However, prior to the meeting, attorneys representing WM sent a letter alleging that the city had not ensured a fair process and may have violated internal guidelines and state law by engaging in premature and improper negotiations with Bruin Waste. Based on these allegations, the City Attorney advised pausing the process to allow for further investigation.

Before receiving WM's unsolicited proposal, the city had intended to pursue a real estate contract and a potential professional services agreement, which do not require a public procurement process. In light of these developments, a council subcommittee was established on October 21, 2024, and held its first meeting on November 15. Staff aims to establish a clear direction ahead of the December 20, 2024, application deadline for the SWIFR grant, which offers up to \$5 million in available funding.

Angela French explained that the city had previously applied for the SWIFR grant but was not successful in securing funding. She emphasized that the grant is designed to support large-scale recycling initiatives with transformative impacts that can significantly benefit entire communities.

John Shaver clarified that the city is not asserting that any of the allegations made by WM are accurate or correct. He emphasized that, in the interest of transparency and to provide the Council with the opportunity for further deliberation, the city is actively engaged in this process, including the RFP procedures outlined by Jay Valentine. He noted that further details about the significance of these steps would be discussed as part of the proposal overview and the summary of next steps.

Jay Valentine outlined several options for a MRF. These included expanding the existing facility at 333 West Avenue, collecting materials from customers and tipping them at an external site, pursuing the development of a new site and facility, maintaining the current facility, or adopting a blended approach that combines the use of the existing facility with additional tipping at another location. The evaluation of these options considered key factors such as cost, liability, customer transparency, potential for future growth, market volatility, environmental impacts, employee implications, and partnership opportunities.

Cody Kennedy raised concerns about the financial feasibility of developing a new MRF, emphasizing the estimated \$10–18 million cost and the associated debt. He questioned the necessity of building a new facility when similar infrastructure already exists and stressed the importance of exploring tipping agreements with existing facilities to reduce costs. Kennedy also highlighted uncertainties surrounding the availability of Extended Producer Responsibility (EPR) and SWIFR grant funding, which could significantly impact the city’s ability to offset MRF expenses. He expressed skepticism about government overreach, including the potential for flow control, and underscored the importance of transparency in recycling operations.

Jay Valentine clarified that the city is not recommending the implementation of flow control. He explained that the city has carefully modeled the financial aspects of a MRF using pro formas, ensuring that costs are balanced under the current EPR framework. Valentine emphasized that haulers in Grand Junction and surrounding communities have expressed a need for a regional MRF, and this demand aligns with the city’s strategic goals. He highlighted the importance of maintaining transparency by tracking recyclables from collection to final processing.

Angela French emphasized that transparency remains a cornerstone of the city’s recycling efforts, noting that customers appreciate the assurance that their materials are not sent to landfills. She explained that private haulers are enthusiastic about a regional MRF as a cost-effective alternative, as many currently face high transportation costs and tipping fees that make local recycling services unsustainable. French also reiterated that any new facility would need to meet the city’s sustainability goals while providing a public service to residents.

Anna Stout underscored the importance of transparency in the recycling process, citing examples from other communities where materials were improperly managed despite recycling efforts. She stressed that the city must ensure any selected facility aligns with its Sustainability and Adaptation Plan to maintain public trust and avoid similar issues. Stout also corrected a misconception by clarifying that the proposed \$10 million expenditure would come from ratepayer funds rather than taxpayer money.

Dennis Simpson expressed support for a blended approach, which combines the use of existing facilities with tipping at external sites. He suggested that financial risks associated with a new \$18 million facility could be avoided by partnering with WM under a dual-stream system that would not impact customer rates. Simpson expressed that public concern about recycling transparency may be overstated and could be addressed through contractual agreements.

Scott Beilfuss emphasized the importance of keeping recycling efforts local to support businesses and maintain control over the city’s waste management processes. He noted that the Mesa County compost facility is nearing capacity, suggesting that additional planning will be necessary to address composting needs. Beilfuss highlighted the potential

of a regional MRF to generate new income streams through tipping fees, EPR funds, and commodity sales.

John Shaver clarified several legal and procedural aspects of the city's recycling initiatives. He emphasized that the process is part of an enterprise activity within the solid waste division, not a standalone entity. Shaver recommended against unilateral contracts and stressed the need for a clear direction from the committee. He explained that any decision to shift strategies would require a new process. Shaver reiterated that the city's procurement practices aim to maintain transparency and compliance with state laws.

Public comments included remarks from Bruin Waste, WM representatives, and Jennifer Richardson with Mesa County. Jeff Kendall from Bruin Waste emphasized the alignment of Bruin's goals with the city's sustainability objectives and the cost-effectiveness of their proposed partnership. He noted that logistical challenges have prevented Bruin from expanding local recycling services but expressed optimism about collaborating with the city. WM representatives Frank Santiago, Curtis Gardner, and Scott Hutchings highlighted their established infrastructure, which processes 1400 tons and proposed a blended value program that could provide cost-sharing benefits to the city. WM raised concerns about potential flow control regulations and stressed the importance of prioritizing existing infrastructure. Jennifer Richardson noted that WM initially did not engage in discussions during the feasibility study. She emphasized that recycling is just one component of waste diversion and that addressing it in isolation could complicate and increase the cost of managing other aspects of diversion. Richardson encouraged the city to take a long-term, comprehensive approach when making decisions about its recycling strategy.

Andrea Phillips inquired about the direction and next steps for the city's recycling strategy. Anna Stout reiterated her request to meet individually with each agency, while Dennis Simpson proposed further research into the blended approach and a possible adjustment of the process to explore it more thoroughly. John Shaver recommended that the committee define its next steps and assess whether the current EPR framework supports the chosen direction or if additional actions are required. He noted that this process was initially tied to the inclusion of funding for the regional MRF in the city's budget.

Jay Valentine explained that the RFP was intentionally broad to allow for various options to be presented for council consideration. Andrea Phillips asked whether there was a desire to cancel the current procurement process, and the committee agreed that it should not be canceled.

Following further discussion, the committee decided to invite WM, Republic, and Bruin to present their proposals at a meeting scheduled for December 9, 2024, from 2:30 to 4:30 p.m. Each company will receive 15 minutes for a presentation, followed by a discussion period to address remaining questions.