

Recycling Facility Meeting Notes – December 9, 2024

Meeting Location: Fire Training Room

Roll Call:

City Council Sub-Committee Members Present:

Anna Stout
Dennis Simpson
Scott Beilfuss

Council Members Present:

Abram Herman
Cody Kennedy

City Staff Present:

Mike Bennett, 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: Review proposal presentations and discuss future direction of the city's recycling program.

Mike Bennett opened the meeting by welcoming attendees, providing introductions, and offering a recap of prior discussions. He reviewed the timeline, challenges, and next steps, emphasizing the committee's purpose of formulating a recommendation for the council by December 18. Dr. Liz Chapman, representing Recycle Colorado, was introduced to provide an overview of recycling in Colorado.

Dr. Liz Chapman, representing Recycle Colorado, introduced herself to the council, clarifying that she was not present to represent the views of the Producer Responsibility Program board. She provided an overview of the Extended Producer Responsibility (EPR) program, highlighting the critical need for a Materials Recovery Facility (MRF) on the Western Slope. Dr. Chapman explained that 80% of Colorado's recycled materials are managed on the Front Range, leading to most investments being concentrated there. The EPR bill aims to shift the financial burden of recycling infrastructure from municipalities to producers. A 2023 needs assessment estimated that \$35–\$40 million would be required to improve recycling infrastructure on the Western Slope, with an additional \$70 per person allocated for education in the region. Dr. Chapman emphasized the benefits of public-private partnerships in recycling efforts, such as operational efficiencies, shared risk, job creation, and alignment with community sustainability goals.

Dr. Chapman explained that funding allocation between public and private entities would be determined by program specifics outlined in the upcoming plan. Transparency and performance metrics would be integral to ensure funds are used effectively. The PRO would cover costs associated with collecting and processing materials, including making up deficits when commodity sales fall below processing costs. She clarified that the program is designed to operate on a reimbursement model, prioritizing transparency and ensuring all expenditures are aligned with established performance standards.

Regarding debt servicing and the timeline for implementing infrastructure improvements, Dr. Chapman noted that these details are pending the finalization of the program plan, expected to be released in February 2025. However, she reaffirmed the need for a regional MRF on the Western Slope. The initial investment of \$35–\$40 million on the Western Slope would be part of broader state investments, with additional funding allocated as needed through ongoing evaluations by the PRO.

The program will be funded by producers under the Circular Action Alliance, not by local, state, or federal funding. This producer-funded model, which has been successfully implemented in Europe and Canada, generates revenue through minimal fees on packaging—fractions of a penny per unit—without significantly impacting consumer prices. The program is projected to raise approximately \$300 million annually, with the Colorado Department of Public Health and Environment serving as the regulatory authority to oversee its implementation and operation.

Following Dr. Chapman’s presentation, Jay Valentine moderated the proposal presentations, which were conducted after all presenters waived confidentiality. Each presenter was given 20 minutes to share their proposals. The presentation order was randomized, starting with WM (Waste Management), followed by Republic, and concluding with Bruin.

John Shaver explained the presenters should only discuss their presentation and not anything that was presented by their competitors.

WM proposed that the city deliver materials to their facility under a value-share program, which includes fixed processing costs and potential credits when commodity values increase. They assured that pricing adjustments would be tied to a nationally accepted index. They also discussed efforts to expand plastic film and textile recycling. Council members raised concerns about monopolistic tendencies and potential rate hikes, but WM emphasized transparency and contract-based pricing. While local collection cost estimates could not be provided due to geographical challenges, WM maintained that processing fees would remain fixed within the agreed terms.

Republic proposed utilizing a transfer station as an interim solution until recycling volumes exceeded 5,000 tons per month. This facility would separate materials like cardboard and bundle them for transport to larger facilities. Republic supported the idea of utilizing a local

MRF, stating that it would likely increase customer participation. They also proposed help to deliver educational initiatives. Concerns about limited job creation from a transfer station were raised, but Republic reassured the committee that such a facility would still generate local employment without reducing existing jobs.

Bruin proposed utilizing a site with an existing building to develop an EPR-compliant MRF, designed with advanced technology and scalability to accommodate long-term growth. Bruin emphasized their flexibility in funding models, including the ability to manage debt without city guarantees. They expressed a strong commitment to supporting the circular economy and aligning operations with local interests. Addressing council inquiries, Bruin clarified that their proposal leveraged the city's borrowing power for better rates, while grants and EPR funds were excluded from their financial projections. They indicated openness to exploring alternative funding and ownership models to suit the city's preferences.

During the public comment session, several speakers provided input. Dr. Liz Chapman clarified that debt service is certain and considered a cost and would be covered within certain boundaries. Kym Beck, a sustainability advocate, praised Grand Junction's potential as a recycling hub and commended its existing partnerships and sustainability commitments. Jennifer from Mesa County Landfill urged consideration of facilities capable of processing diverse materials. Sarah Firden, Parks and Recreation Director from Silverton, endorsed Bruin for their 15-year partnership history and strong community engagement. Lauren Kern, a sustainability manager from Mountain Village, voiced support for a regional MRF in Grand Junction.

The committee discussed the proposals and requested staff recommendation. Staff recommend a public-private partnership with Bruin to establish a regional MRF. After deliberation, the committee decided to advance Bruin's proposal to the full council for further consideration.

The meeting was adjourned with the next step being the formal recommendation to the council by December 18.