



COUNTY BOARD OF PUBLIC WORKS

**June 6, 2013
8:00 AM**

**Earl G. Woodworth Building
Second Floor Conference Room
1500 Scribner Avenue NW
Grand Rapids, Michigan 49504**

MEMBERS PRESENT: Commissioners Vonk, Shroll, Bulkowski, Groenleer, Vander Molen

ABSENT: Commissioners Rolls, Byl

OTHERS PRESENT: Douglas G. Wood, Director; Dennis Kmiecik, Solid Waste Division Director; Ron Landis, Director of Engineering; Dan Kendall, Finance Division Director; Elissa Soto, Office Manager; Steve Achram, Civil Engineer; Molly Sherwood, Environmental Compliance Manager, Kristen Wieland, Resource Recovery Specialist Linda Howell, Assistant Corporate Counsel; Cal Brinks, Purchasing Division; Darius Quinn, Human Resources Manager

I. Call to Order

The meeting was called to order at 8:00 a.m.

II. Public Comment

None

III. Review and Approval of Minutes

MOTION

It was moved by Commissioner VanderMolen and supported by Commissioner Groenleer to approve the minutes of the May 16, 2013 meeting.

Motion carried unanimously.

Chair Vonk introduced an updated Agenda to fellow Board members. This Agenda reflects an agenda item not included in the Agenda that was mailed to the Board.

IV. Administration

A. 2014 Budget

Staff requested approval of the Department Budget for 2014. The Budget presentation this year has taken on a new look. The Department merged the Waste-to-Energy Fund and the Administration Fund into the Solid Waste Fund. With the exception of a Debt

Service Fund, which administers the bond paying for a City of Wyoming bond, the Department is one fund. With the transfer of the Operations and Maintenance Fund operations to the North Kent Sewer Authority, it made sense to combine the remaining operations into one fund as they were all solid waste management related.

The budget presentation has been “modernized” to show one fund format. We still have all the individual organizations (orgs). The revenue section of the budget is based on type of revenue, such as tipping fees, electric generation revenue, etc. The expenses are presented in org format by operation area, South Kent Landfill, Waste-to-Energy, etc. We have added some graphs and charts as visual aids but have also included the more traditional budget summaries.

Dan Kendall, Finance Division Director reviewed all revenues for the Department. This included revenues for all sites and the sales of recyclables and interest earnings. Expenses were grouped by location. He pointed out that the operating budget has been added to the report.

Commissioner Vonk asked whether there is any area in the report that Board members need to watch closely in future years. Mr. Kendall stated that the WTE rates should be monitored. It is currently set at \$45 and staff has a plan to keep it at this rate for the next three years. There is currently a contingency expense to maintain this rate. Staff is tracking this fund to build a pool so that in future years, when rates are higher than \$45, funds are drawn from this account in order to maintain the lower rate. The issue is that in the future, if all those funds are exhausted, the rate will increase.

Commissioner Bulkowski asked if there was a way to predict the amount of the rate increase. Mr. Kendall is not sure of the amount, but recommends gradually increasing the rate as money begins to run out. Mr. Wood added that the WTE Advisory Committee has decided to maintain the rate but will be reviewing rates within the next couple of years. When the 2015 budget is presented, the WTE Advisory Committee will be given the option to gradually increase of the rate.

Administration Fund: Mr. Kendall reviewed the fund which included an overview and summary. He noted that expenses under this fund include administrative staff and conferences and travel. The fund has revenue that comes from internal funds, the Road Commission and the Drain Commission. This fund does not bill out money unless it is spent. At the end of the year it is adjusted so that it breaks even. The Department no longer does its own audit and expected a decrease in audit costs. This was not the case, therefore the budget was increased.

WTE Fund: Mr. Kendall reviewed the WTE fund which includes a Summary. He highlighted that the payments to Covanta have gone up. Their fee is based on the tons processed. There is also an inflation component in their contract. Staff noted that this is incentivized; the more energy produced the more income they generate. Covanta has also made some improvements at the WTE which has increased energy production. Mr. Kendall also reviewed WTE goals and revenues.

Debt Service: Mr. Kendall reviewed the Wyoming water bond debt service. The Department collects funds from the City of Wyoming to cover principle, interest, bank fees and any other fees associated with the bond. The last year for payments is 2015 at which point the bond will no longer be in the Department’s budget.

North Kent Transfer Station: Dennis Kmiecik, Solid Waste Operations Director, reviewed the budget and highlighted significant changes. He noted forty thousand dollar increase in salaries and wages. This reflects the change of where roll off drivers are located. In

the past they were stationed at South Kent Landfill and now are utilized mostly at NKTS and the budget has been changed to reflect this. Mr. Kmiecik also noted a significant reduction in the cost of outbound trash due to a new contract with Republic Waste. There is a significant rise in fuel costs reflected in the budget.

South Kent Landfill: Reviewing the operating budget there is a significant reduction in salaries and wages. This is because one roll off is driver now stationed at the NKTS and one has been moved to the MRF. Gas, oil and antifreeze have also been increased in this budget.

Materials Recovery Facility: Mr. Kmiecik highlighted the increase in overtime. This is due to the increase in recycling throughout the County. The facility is at its maximum processing time. An evening shift and runs one Saturday per month in order to process the recyclables received. Staff believes that a second shift will need to be added or may have to run every Saturday.

Commissioner VanderMolen noted that as more tons are processed, more materials are sold. Mr. Kmiecik confirmed this and added that though more is being sold, the amount paid to the MRF fluctuates depending on the market. Increasing the hours of operations will increase the operating costs.

Commissioner Shroll wondered if the increase in tonnage has to do with the City going single stream. Mr. Kmiecik stated that it is part of the reason and added that there are also out of County haulers that deliver to the MRF adding to the tonnage.

Commissioner Shroll wondered if the facility would get to the point to where they couldn't handle the tonnage. Mr. Kmiecik responded that the facility is almost at that point for one shift, this is why some evening and weekend shifts have been added in order to keep up with the tonnage.

Director Wood added that the MRF has contracts with the haulers that state that they would deliver all recyclables to the facility. It also states that in the event the facility's revenues do not cover expenses, the MRF has the right to charge a fee. Haulers signed a three year contract and we are in the process of renewing those contracts.

Commissioner Vonk wondered if there are any properties in the area that could be considered for future expansion of the MRF. Mr. Kmiecik said that there are some in the area if it ever became necessary. He added that the main concern is storage for the tipping floor; expanding the tipping floor would be ideal.

Resource Recovery/Household Hazardous Waste: Mr. Kmiecik noted that these are non-income generating funds. These are the programs that do community education and tours and collection of residential hazardous waste. Household Hazardous Waste has a contract with CompRenew for electronics recycling. They pay the Department for public education and electronics collected.

Act 451: This fund covers the Solid Waste Plan. The majority of the costs are for attorney fees to draft the proposed ordinance in the Amendment.

Gas-to-Energy: Ron Landis reviewed the revenues for the Gas to Energy. He stated that in 2011 an organization purchased credits at about \$7 per credit. There were none sold in 2012 because they bought out of their contract. A contract was negotiated for 2013-2014 to sell 50,000 credits at \$1.25 per credit.

Commissioner Bulkowski asked how those credits are earned. Mr. Landis stated that they are earned by preventing carbon from going into the atmosphere.

Mr. Landis continued stating that there may be an increase in expenses with the possible

addition of four new gas wells. As the waste gets higher it will produce more methane and the amount of gas provided to the Granger facility is directly related to how much power is made.

Closed Landfills

North Kent Landfill: Mr. Landis reported an added expense under repair and maintenance. This is the cost of possibly installing an air stripper in order reduce volatile organic compounds (VOC) coming out of the well that pumps water into the sanitary sewer. Installing the air stripper could cut the leachate disposal cost in half.

Sparta Landfill: This landfill continues to be monitored regularly. Last year two properties adjacent to the landfill were purchased.

Kentwood Landfill: Staff is looking at “mothballing” the treatment plant. Mothballing leaves the plant ready for use, and staff continues to test the water and regular monitoring. As long as the tests results are good and the City of Wyoming is satisfied with the results the plant can be taken off line. If this can occur it would result in significant savings in operating costs.

A five year review with the EPA is scheduled for next year. The EPA and DEQ visit the site and analyze the site and operations.

Director Wood reviewed changes to the disposal rates at the landfill. Rates have been held for about four years. Staff is recommending the rate be increased to \$36.96 per ton which includes state charges. Director Wood gave the Board an article about national tipping fees. This article reported that the average tipping fee was \$49.28; showing that the Department’s rate is very competitive.

MOTION

It was moved by Commissioner VanderMolen and seconded by Commissioner Shroll to approve the 2014 Budget for the Solid Waste Fund and the Debt Service Fund for submittal to the County Administration as adjusted.

Motion carried unanimously.

B. Re-Organization

Chair Vonk asked the Board for review and approval of the Department Re-Organization Plan. The Director requested the Human Resources Department conduct a re-organization and staffing study for the purpose of aligning current Department resources taking into consideration reduced Department services and retirement eligibility status of four key members of the leadership team that include: Public Works Director, Engineering/Utility Services Division Director, Waste to Energy Division Director and Solid Waste Operations Division Director. Additionally, the elimination of the Utility Services component has resulted in the need to review future staffing.

At the May 16 Board meeting, staff mentioned possibly keeping the Engineering II position as a temporary position, Commissioner Shroll wondered whether or not staff had made a final decision regarding the position. Mr. Wood stated that after numerous discussions and analysis, he has decided to go forward with the Plan as presented.

- Currently the Department is organized into four Divisions: Engineering/Utility Services, Solid Waste Operations, Waste to Energy and Finance Accounting.
- The Proposed Organization reduced the number of divisions from four to two: Solid Waste Division and Finance Division.

- Under the Solid Waste Division Director are four operations managers: Solid Waste Operations (landfill and transfer station), Recycling and Resource Recovery, Environmental Compliance (closed landfills and permits) and Waste to Energy.
- The Finance Division has additional responsibilities: waste to energy budget, property management, contract management.

The proposed re-organization will make the following changes:

- Promotes the current Solid Waste Operations Division Director to Solid Waste Division Director. This position also serves as Department Director, as necessary.
- Promotes the Environmental Compliance Manager with revised responsibilities
- Creates a Recycling and Resource Recovery Manager advertised internally.
- Creates a Waste to Energy Manager with revised responsibilities
- Creates Solid Waste Operations Manager with revised responsibilities
- Deletes Engineering/Utility Services Division Director position
- Deletes Engineer II position
- Deletes Waste to Energy Division Director
- Transfers certain responsibilities to the Finance Director
- Delete the Waste Regulation Inspector (full-time); adds two positions part-time
- Deletes one Resource Recovery Specialist position; adds two Resource Recovery Specialists (part-time)

The re-organization plan over the course of a full year would approximately result in a savings of \$67,939-\$90,709.

MOTION

It was moved by Commissioner Bulkowski and seconded by Commissioner Groenleer to recommend that the Board of Commissioners approve the proposed Department of Public Works re-organization study and plan.

Motion carried unanimously.

V. Solid Waste Operations

A. Purchase of Transfer Trailers (WTE/NKTS)

Staff requested the approval of the purchase of two (2) closed top, steel, live floor, compactor, and transfer semi-trailers. Staff, working with the Purchasing Division, requested bids for the purchase of two (2) closed top, steel, live floor, compactor transfer semi-trailers. One trailer will be for use in the WTE Transfer Operation and the other will be put into service at the North Kent Transfer Station. Four (4) bids were received on May 13 (Tabulation Sheet is enclosed). Of the four bids, only the high bidder Universal Handling Equipment stated that they would be able to meet the 70 day delivery specification. Staff and Purchasing have determined that non compliance with the delivery time specification does not constitute a material deficiency.

Staff, with the concurrence of Purchasing, is recommending that the award go to the second low bidder Spector Manufacturing, Inc. at a unit cost of \$106,613 and a total cost of \$213,226. This is \$1,823 more per unit (\$3,646 total) than the bid from Warren Equipment. In checking references staff was unable to find a waste hauler utilizing a Warren Equipment closed top, steel, walking floor, compactor trailer. Warren Equipment only provided references for open top, aluminum trailers. The eight axle

trailers specified receive hard use and are capable of carrying up to 80,000 pounds. The Spector trailer tare weight (unloaded weight) is 5,000 pounds greater than Warren’s which indicates a sturdier trailer. The Department does have a Spector Manufacturing trailer in service for several years at the North Kent Transfer Station that has performed well. The purchase of this equipment is included in the 2013 NKT and WTE Capital Budgets.

Commissioner VanderMolen asked if the low bidder was not selected because the trailer was made of aluminum. Director Wood stated that they bid a steel trailer, but it was 5,000 pounds less than the trailer that is being recommended which means it may not meet the quality standards that the Department would like. The Department was also not able to get references for these trailers.

Company	Amount
Warren Equipment, Inc.	104,790
Spector Manufacturing, Inc.	106,613
Wilkins Industries, Inc.	114,296
Universal Handling, Inc.	138,783

MOTION

It was moved by Commissioner Shroll and seconded by Commissioner VanderMolen to authorize the purchase of two (2) closed top, live floor, compactor, transfer semi-trailers from Spector Manufacturing, Inc. with delivery from 90 to 120 days after receipt of a purchase order at a cost of \$106,613 per unit and a total cost of \$213,226.

Motion carried unanimously.

B. South Kent Landfill

1. Nevins Property Lease

Approval of Property Maintenance Agreement with Paul Nevins authorizing the Director to execute the Agreement was presented to the Board. Approval is being requested to enter into an agreement with Paul Nevins of 1275 104th Street, SW, Byron Center, Michigan 49315 to permit him to lease properties for farming at \$200.00 per year. This has been done in the past with Mr. Nevins. Attached is the standard agreement prepared by Legal Counsel with the properties listed in Exhibit A of the Contract.

Commissioner Shroll wondered about the six month term of the lease. Mr. Kmiecik stated that the lease is for the growing season and we do not want to sign an extended lease in the event and construction is necessary on the site.

MOTION

It was moved by Commissioner VanderMolen and seconded by Commissioner Bulkowski to approve the Agreement with Paul Nevins for property leased listed in the Exhibit A of the lease agreement and have the Director execute the Agreement.

Motion carried unanimously.

2. Verbeek Property Lease

A Property Maintenance Agreement with Corwin Verbeek authorizing the Director to execute the Agreement was presented to the Board for approval. Approval is

being requested to enter into an agreement with Corwin Verbeek of 4642 14th Street, Dorr, Michigan 49323 to permit him to lease properties for farming at \$250.00 per year. This has been done in the past with Mr. Verbeek. Attached is the standard agreement prepared by Legal Counsel with the properties listed in Exhibit A of the Contract.

Commissioner Groenleer pointed out that the \$250 year lease was not identified under contract and maintenance. Mr. Kmiecik explained that it was located under Exhibit A in the contract.

MOTION

It was moved by Commissioner VanderMolen and seconded by Commissioner Shroll to approve the Agreement with Paul Nevins for property leased listed in the Exhibit A of the lease agreement and have the Director execute the Agreement.

Motion carried unanimously.

3. Kloster Lease Extension

The extension of current lease to July 1, 2014 was requested for Steve and Mary Kloster. The Klosters sold their home to the Department in October 2012. At that time they were planning on building a new handicap accessible house and hoped to be finished in June of 2013. Due to some personal issues related to their health all plans were delayed. They have purchased a lot for building so they are committed to continue the process. We have been in contact with them throughout the delay. They need more time to get the home built and we have offered to extend the lease to July 1, 2014. They do not believe it will take that much time.

The Department purchased this land for stockpile of dirt from cell construction. There are no plans to move dirt at this time. It has been explained we could move dirt if we needed to before they move out and they understand the possibility and agree to that.

MOTION

It was moved by Commissioner Groenleer and seconded by Commissioner Shroll to extend the lease of Steve and Mary Kloster to July 1, 2014.

Motion carried unanimously.

4. Purchase of HDPE Pipe for Cell 35

Requesting approval for a purchase order request to supply and fabricate High Density Polyethylene (HDPE) pipe for cell 35.

Staff with the assistance of County Purchasing requested bids to supply and fabricate HDPE pipe. This pipe will be used in the leachate collection system of cell 35 at South Kent Landfill. Two bids were received, staff is recommending to award a purchase order to Forrer Supply Co., low bidder, in the amount of \$35,445.50, (includes estimated \$2,000 shipping). Below is a summary of bids:

Supplier	Amount
Forrer Supply Co.	\$35,445.50
Michigan Pipe & Valve	\$35,875.22

Commissioner Shroll wondered if Forrer Supply was a local company. Mr. Landis replied that they are located in Wisconsin.

Commissioner Bulkowski wondered about the shipping cost and wondered if it was a cost not to be exceeded. Cal Brinks stated

MOTION

It was moved by Commissioner Shroll and seconded by Commissioner VanderMolen to award and authorize the Director to execute the request for a purchase order for the supply and fabrication of HDPE pipe to Forrer Supply Co. in the amount of \$35,445.50.

Motion carried unanimously.

5. Sand Purchase for Cell 35

Staff requested authorization for the purchase of cushion sand for Cell 35. Staff, through the Purchasing Division, requested bids for cushion/ leachate collection sand. All bidders were qualified to provide the sand. Based on Staff's evaluation we recommend awarding the unit price purchase order to Stoneco of Michigan, the low bidder, in the amount of \$105,600. This is based on a unit price of \$3.30 per ton (material & trucking) and providing 32,000 tons. Please see below for a summary of unit price bids. Stoneco has provided material for the previous cells.

Contractor	Sand Cost	Birds eye stone
Stoneco of Michigan	\$105,600	No Bid
Top Grade Site Management	\$128,640	\$110,515
Marjo Construction Services	\$151,040	\$111,135
Aggregate Industries	\$200,000	\$100,750

MOTION

It was moved by Commissioner Shroll and seconded by Commissioner VanderMolen to award and authorize the Director to execute the request for a purchase order for cushion sand to Stoneco of Michigan in the amount of \$105,600.

Motion carried unanimously.

VI. Approval of Monetary Outlays

MOTION

It was moved by Commissioner Vander Molen and supported by Commissioner Shroll to approve the monetary outlays for the month of June 2013.

Motion carried unanimously.

VII. Director's Report

A. Resource Recovery Summer Activities

Kristen Wieland, Resource Recovery Specialist gave the Board a brief overview of activities at the MRF. She reported that based on past successes of activities at the MRF, staff has decided to add summer activities for children. The first activity is Monday, June 10, 2013. Fox 17 will be at the Recycling center on Monday morning to help advertise the activities.

Board members received calendar of events; this has also been posted on the RecycleKent website.

Commissioner VanderMolen asked that staff report how successful the summer

activities program is.

B. MSW Landfill Cell Construction

Director Wood has taken a video of the landfill cell construction and will present the video to the Board. Mr. Wood will continue to record the construction at various stages.

C. July Board Meeting

The next Board meeting is scheduled for July 11, 2013. It is possible that one will not be needed. Staff will notify Board members in the event of cancellation.

VIII. Miscellaneous

IX. Adjournment

The meeting was adjourned at 9:22 a.m.