



Colorado Department
of Public Health
and Environment

Meeting Minutes
Pollution Prevention Advisory Board Assistance Committee
Tuesday, July 12, 2011
CDPHE, 4300 Cherry Creek Drive South, Denver

Attending: Shirley Garcia, Erika Gibson, Susie Gordon (ph), Marjie Griek, Gary Horton, Brent Hildebrand (ph), Sam Johnson, Anne Mudgett (ph), Sue Piatt, Jo Scher (ph), Neal Schuessler

Absent: Chris Hoofnagle, Joe Schieffelin

Staff: Patrick Hamel, Eric Heyboer

Guest: English Bird, Executive Director of the New Mexico Recycling Coalition

1. Approve Previous Meeting Minutes

A motion was made and seconded to approve the May 10, 2011 Assistance Committee (AC) meeting minutes. *The motion to approve the minutes passed.*

2. Guest Speaker: English Bird, Executive Director of the New Mexico Recycling Coalition

English spoke to the AC about an innovative new recycling model designed to increase recycling rates in New Mexico. The first steps taken to develop the model started in 2008. It was designed to be fully transferable to other communities. In essence, the hub is where materials are consolidated and processed. Hubs start out by recycling OCC, mixed paper, #1 and #2 plastics, aluminum containers, and steel cans, but can add more materials later. The hub will likely only make enough money from the sale of recyclables to cover the cost of operation. The spokes are smaller communities in outlying areas with a recycling drop-off center. The spokes periodically haul material to a nearby hub.

This model prevents multiple communities from investing a lot of money in equipment, which they then have to maintain. Economies of scale allow for resources to be pooled in larger communities, preventing duplication. Also, communities worry about staffing costs to run the new operation, but they can share existing positions with the recycling program. English emphasized the importance of making the program consistent in materials collected, equipment used, materials, signage, and outreach.

The New Mexico Recycling Coalition (coalition) is a non-profit organization and partners with the New Mexico Environment Department. The coalition received a USDA Rural Utilities Solid Waste Management Grant in 2008. Funds were used for technical assistance

and planning, as well as identifying where existing infrastructure was in the state and the challenges of implementing a recycling program in rural areas. The USDA grant was the seed money that led to the development of the hub-and-spoke model. The USDA defines “rural” as a community with 10,000 people or less, so the coalition focused on those communities that met that demographic.

A part of the USDA grant involved extensive research to map where trash was already going and how hubs and spokes would fit into the picture. Hubs were typically co-located at a landfill or waste transfer station. Locating a hub at a landfill or transfer station saved money and red tape by placing it on the grounds of a pre-existing regulated facility. The mapping exercise identified where people were already processing recyclables, and who had a horizontal baler. Looked at existing hubs and divided those with and without capacity to store materials. Locating the hubs was influenced by the distance from its corresponding spokes, typically within 60-100 miles from the hub. Patrick asked how this number was determined, and English explained that it seemed to be the most reasonable distance for spokes to transport materials. Local politics also played a role in locating the hubs, and the relationships between the city and the county, between counties, across state lines, or across tribal boundaries all had to be considered. Geographic boundaries are also important to consider. Becoming regionalized is necessary for the model to function so that smaller communities can pool resources.

The USDA grant also allowed the coalition to apply for additional funding. New Mexico maintains a recycling grant fund that amounts to less than \$100,000 per year, so larger funding sources were needed. The New Mexico Environment Department and the coalition applied for and received \$3.3 million in stimulus funds to implement the hub-and-spoke model. Thereafter, the coalition transformed into a granting operation, sub-awarding approximately \$2 million to various communities across the state.

English showed the AC a conceptual design of the standard hub design. Applicants have to adopt this standard. The coalition funded three hubs at \$309,000 each. One is at a landfill, two are at transfer stations. Each site is secured with set hours, and utilizes existing staff to operate. Each facility is 3000 square feet, in addition to an exterior concrete apron. The building is three sided and can easily expand over time, allowing for the addition of a sort line once the program is established. Bunkers for materials storage are sized so that when they are full, the capacity is the same as one bale. There is an in-pit conveyor that feeds the horizontal baler. The coalition steered communities away from vertical balers because horizontal types can bale multiple materials. The loading ramp is mobile and adjustable. The design minimized the amount of time materials have to be touched, therefore increasing efficiency. The design is simple – no water, no heat. But staff will likely only bale once or twice per week, so the facility won’t be used very often.

The grant solicitation and selection was competitive and hubs were selected at the end of 2010. The community would have to agree to implement the turn-key approach as outlined in the application, and required them to take a regional approach. All three awarded hubs will be fully functional by end of 2011. Three additional hubs were funded at \$150,000 each

because the entities were able to retrofit existing buildings using New Mexico Environment Department grant monies. Matches were not required on any grant project.

English explained the budget breakdown for the \$309,000 and \$150,000 hub grants. It was noted that \$125,000 was allotted solely for construction of the building. The contract requires that grantees spend money first on building the structure and then spend the remainder on collection equipment (just the containers, not trucks) since these costs are more variable. The grantee owns the building and equipment outright. The coalition did not include language in their contract that the grantee must use the facility for recycling for a certain number of years; however, there is an agreement that if the use of the building changes, the responsible party will let all others involved know about the change. English recommended looking to state and federal procurement agencies for equipment. The coalition was able to find nearly all of their equipment on the federal procurement list, with the exception of the collection equipment.

The spoke grant applications were released in early 2011. A total of \$500,000 was available. Funds were directed toward the purchase of roll-offs, trailers, or both, based on the needs of the spoke location. Collection trailers were 22' long, and light enough that a standard pick-up truck could pull them and a forklift could tip them. Spokes were encouraged to set-up their recycling drop-off sites near their local fire station or police station, and to fence the perimeter. The spokes will haul the material to the hub, and the hubs are required to accept those materials. In all, there will be 40 new spokes installed by the end of 2011. The coalition has a template of the MOU for the AC's reference that outlines the relationship between the hub and spoke. The coalition also designed and provided all the necessary signage to each grantee. This ensured consistency across the entire system. Examples will be available on their website.

Gary asked if the coalition leveraged grant money by asking the hub towns to implement PAYT curbside recycling. English said they did not because they feared it would have been too much, too soon. English explained that when she met with town council or the county commissioners she emphasized the savings realized on hauling costs. That is what ultimately sold them on the idea.

The coalition has plans to launch a cooperative marketing entity as a value-added service for each of the hubs. The co-op will only work with domestic buyers, and will release RFPs to ensure a fair market price is secured. The co-op will charge a 7.5% fee from the sale of recyclable material. The idea is to use those funds to provide technical assistance to the grantees. The co-op will also generate reports on the tons diverted, avoided costs, and environmental benefits for each participating community. There is no requirement that any of the grantees use the co-op, and are welcome to market their own materials.

In late 2011, the coalition has plans to release two additional grants. The first is a Recycling Center Improvement Grant to incentivize retrofits of existing facilities that lack capacity. Total amount available will be \$260,000. It will be specific to equipment purchases, such as new balers or to install an in-pit conveyor system. The second will help communities implement PAYT. Money will be used for carts, bags, and stickers. The coalition is also

working with landfills so that there are rate incentives to divert organics and construction and demolition waste. English mentioned that New Mexico has only three or four privately owned landfills – all the rest are publicly owned and operated.

English described what she sees as an on-going evolution of the hub and spoke model. First, create processing and collection infrastructure. Second, have municipalities expand cardboard recycling collection with businesses. Third, implement an organics diversion program. Fourth, implement PAYT in the population centers.

For Colorado to implement a similar model to New Mexico's, English explained that the first step is identifying what infrastructure already exists, where the gaps are, and where solid waste is flowing. Then assess the viability of hub locations. Can it handle the amount of material estimated? Is it politically viable? Where is the best location? Other possibilities include releasing an RFP to only build hubs, or focus specifically on grants to create the spokes. The AC would have build into their requirements that the grantee has somewhere to send the material they collect, and to assure that there is a commitment to sustaining the recycling program. The AC should also assess the need for a marketing co-op and how technical assistance can be provided to the grantees. English found that communities appreciate that support. The coalition is able to provide templates at the AC's request for a number of documents.

English then opened the floor for questions, and the answers to those questions are listed below.

The coalition is not working with schools as of yet. They made a decision to work with the general public first, to implement the collection system. Once the recycling infrastructure is in place, outreach to the schools will take a higher priority.

Since most hauling in New Mexico is coordinated by local governments, the coalition did not consider the affect on small recycling entities by the funded grant projects. Hubs maintain the option of marketing material to anyone of their choice, though.

The hub and spoke system is still in the implementation phase, so there haven't been any materials that have been hauled or processed as of yet. The hope is that the end market will provide the transportation. The buildings are not designed to hold an entire truck load of each commodity, which was intentional. The idea is to keep the material moving out of the hub and off to market, which ensures a steady flow of income.

The coalition has been active in selling recycling to communities around the state and letting them know about the grant program.

A total of seven applications were received for the hub grants and 14 for spoke grants.

The marketing co-op would receive payment for materials directly from the mills and then pay the hubs. The co-op contract is one year, but the contract automatically renews.

The only state agency that partnered with the coalition was the New Mexico Environment Department. The coalition has included larger universities and federal facilities in their stakeholder meetings. The need for additional labor hasn't materialized, so connections haven't been made with Corrections Dept.

The coalition maintains four regular staff, two full-time positions and two part-time positions.

The coalition has taken an active role in organizing citizen groups to help create community interest and support for local recycling. They partnered with those groups that already existed and built new citizen recycling groups where needed. Citizen groups are volunteers who help educate the community about recycling, and the coalition relies on that outreach assistance.

3. Recycling Rebate Program

Marjie left the meeting to bring English to the airport. Susie Gordon, Vice-Chairperson, guided the AC through the remainder of the meeting.

Eric asked the AC for comments or edits to the glass and drop-off site rebate applications, set to be posted on August 1st. Gary mentioned that he would like to follow-up with each applicant on how the rebate money was spent and how it helped expand recycling service. For drop-off sites, Gary would like to know if the rebate improved the provision of recycling service in the applicant's community. Also, he was interested in gathering feedback from applicants on how they think the rebate might be more effectively allocated to further incentivize recycling. He was concerned that rural areas are not getting enough money through the rebate program to truly incentivize recycling. The AC agreed that they would like to ask each applicant for this feedback in the form of a short letter (200 words or less). Eric agreed to coordinate this effort, and put language in the application notifying applicants of this new requirement. Eric will also schedule a rebate subcommittee meeting to review the letters before the end of this year. Susie cautioned the AC to be sure to make it clear to the applicants that this is strictly a feedback mechanism and not a guarantee that any changes will be made to the rebate program.

Neal suggested a change to the drop-off site rebate application. He suggested changing the language in the table by striking "distance hauled to nearest recycling center" to simply say processing center. Eric agreed to make the change.

A motion was made and seconded to approve the glass and drop-off site rebate applications. *The motion to approve the applications passed.*

Eric confirmed that he will ask the PPAB for their approval at their next scheduled meeting, set for July 26th.

4. Schedule and Future Agenda Items

The AC will meet again at the CDPHE Cherry Creek Campus on Tuesday, August 9th at 1:30 PM. The majority of the meeting will be dedicated to further consideration of changes to the grant application in light of the information learned about New Mexico's hub-and-spoke model. The AC requested that it would be helpful to map out what infrastructure already exists in the state. Eric agreed to ask Wolf Kray for assistance, and will share any information with the committee at the next meeting.

5. Post Meeting Notes

An email vote was requested by staff on August 2nd. A motion was made and seconded to approve a budget reallocation request from Repsco, Inc. for their RREO grant project titled Repsco/K&M Partnership Project: Plastics Recycling, Processing, Green Jobs and Greenhouse Gas Reduction. *The motion to approve the reallocation passed on August 5th.*