

ITEM # 30  
DATE 11-20-07

### **COUNCIL ACTION FORM**

**SUBJECT: SOLID WASTE ALTERNATIVES PROGRAM (SWAP) GRANT FOR NON-FERROUS METALS**

**BACKGROUND:**

Resource Recovery annually processes in excess of 50,000 tons of municipal solid waste. After processing, the breakout of material is as follows: 64% Refuse-Derived Fuel (RDF) burned at the City's power plant; 5% ferrous metals transported to Minnesota for additional processing and reuse; and the remaining 31%, approximately 18,000 tons, of rejected material is currently landfilled each year.

Resource Recovery staff has identified non-ferrous metals in the rejected waste stream as a target for further landfill waste diversions. On April 5, 2007, a test load of reject material was delivered to Davenport, Iowa, to determine the non-ferrous content by volume. A 40,000-lb semi load netted 470 lbs (1.17%) of non-ferrous metal. This would equate to an annual diversion of 219 tons from the landfill. Mixed non-ferrous metals have a five year average market value of \$.50/lb. This could present a new annual revenue stream of \$219,000.

A turnkey Non-Ferrous Recovery System would cost \$1,100,000. Iowa Department of Natural Resources (IDNR) SWAP grants are available, and if awarded, can provide a loan with 3% interest on 75%, or \$825,000 of the total project cost. The 25% local share of \$275,000 is available from the Resource Recovery Fund balance, which currently exceeds \$1,000,000. Estimated return on this \$1,100,000 investment is less than six years. Loan repayment to the IDNR has the potential to extend over a six-year period. This would enable the City to repay the loan with revenues generated from the sale of the recovered non-ferrous materials.

Advantages of this project include reducing our carbon footprint, as well as a reduction in landfill use and cost.

**ALTERNATIVES:**

1. Approve submission of an \$825,000 SWAP grant application to the IDNR for a Non-Ferrous Recovery System.
2. Consider local funding of the entire cost of a \$1,100,000 Non-Ferrous Recovery System as part of the 2008-2013 Capital Improvements Plan.
3. Continue taking the non-ferrous material to the landfill.

**MANAGER'S RECOMMENDED ACTION:**

Technologies for recovering non-ferrous metals have advanced to the point that it now makes sense to consider this type of system for the Resource Recovery Plant. Further, the IDNR's SWAP grant program provides an exceptionally attractive funding opportunity for this project.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving submission of an \$825,000 SWAP grant application to the IDNR for a Non-Ferrous Recovery System.