

## Sylvester Turner

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**From:** Marvalette Hunter <marvalette@3dvisionsconsultants.com>  
**Sent:** Tuesday, August 02, 2016 3:35 PM  
**To:** 'Samuel Eaton'; 'Thomas Jones'  
**Cc:** 'Maya Ford'; 'Tony Council'  
**Subject:** RE: ONE-BIN Program: Myth and Facts Briefing  
**Attachments:** EcoHub Overview and Myth and FactsShort.pdf

Thanks Sam! I appreciate this 1 pager. It looks like the Mayor is considering a meeting with your team within the next 2 weeks. I will get back with you when I get a definitive date. Just a quick comment regarding the attached information, the technology is not being challenged by the Mayor's staff, they have acknowledged that the technology currently exists. Although you can stress this matter more during your pending meeting, a major focus needs to be the cost to the City and the assurances of mitigation of any risks, i.e. guarantees of financial performance.

Marvalette Hunter  
3D Visions Planning Consultants  
713-545-8840

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**From:** Samuel Eaton [mailto:samuel.eaton@jnegreenteam.com]  
**Sent:** Tuesday, August 02, 2016 10:27 AM  
**To:** 'Thomas Jones'; 'Marvalette Hunter'; 'Marvalette Hunter'  
**Cc:** 'Maya Ford'; 'Tony Council'  
**Subject:** ONE-BIN Program: Myth and Facts Briefing  
**Importance:** High

Good Morning!

FYI, attached please find a Briefing Paper detailing FACTS and MYTHS in regards to the program for your review and use, as appropriate.

Also for your convenience, the document has been forward to you in both Word and PDF Formats.

As always, thank you for your interest, concern, and assistance with these important matters.

Sincerely,

-Sam

*Samuel Eaton, Sr.*

**Samuel Eaton, Sr. – Ch.E.**  
**Co-Chairman**  
**GHBC CITTE Committee**



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**[www.inegreenteam.com](http://www.inegreenteam.com)**

## Section 1: Contract highlights

### A. Contract almost complete

- The working version of the contract between the City and EcoHub-Houston is nearly in final form and can be completed in an afternoon
  - Easy to complete negotiations when the City is ready to proceed
  - EcoHub-Houston needs City of Houston to remove cancellation for convenience clause (which was removed in the Waste Management recycling contract) in order to make the project bankable

### B. Contract proposed key terms

- City to provide the following as Materials:
  - Residential Solid Waste
  - Solid waste generated from municipal buildings and facilities managed by the General Services Department, including municipal parking garages.
  - Container waste at facilities managed by the Parks and Recreation Department.
  - Airport office building waste (optional).
- The City will pay EcoHub-Houston a \$25/ton Processing Fee (a \$2.50/ ton savings over the cost of the current Republic Services Landfill Contract and a \$65/ton savings from the cost of the Waste Management Recycling Contract). Commencing at the beginning of the second Contract Year, Processing Fee to adjust by the change in CPI over the previous 12 months.
- The City can reduce its costs down to \$22/ton if it helps directs more tons to the EcoHub-Houston facility:
  - Above 500K tons annually to 550K      \$1/ton rebate
  - Above 550K to 600K                      \$2/ton rebate
  - Above 600K to 650K                      \$2.50/ton rebate
  - Above 650K to 720K                      \$3/ton rebate
- City to receive 75% of the value of carbon credits associated with the project (current market value of \$4m)
- 75% guaranteed landfill diversion rate; liquidated damages to City if diversion rate not met
- 97% facility availability; liquidated damages to City if availability rate not met
- EcoHub-Houston to set aside \$12.2m in liquated damages fund to help City reestablish recycling program, if project does not perform as expected

## Section 2: EcoHub-Houston Myth and Facts

### Technological

**1. Myth:** No other communities are currently operating facilities that utilize advanced sorting technology to separate mixed municipal solid waste

#### Facts:

- Numerous facilities around the United States and world currently utilize advanced sorting technology to process mixed municipal solid waste. These facilities, some of which have been operating for decades, utilize proven technology to consistently achieve industry leading sustainability, operational, and diversion outcomes.
- Other mixed waste processing facilities similar to what EcoHub-Houston is proposing are currently operational in: Aberdeen, Scotland (Suez), Los Angeles, CA (Athens Services), Marin, CA (Marin Sanitary Service), Marina, CA (Monterey Regional Waste Management District), Oslo, Norway (Raumarike Avfallsforedligne IKS), Perham, MN (Prairie Lakes Municipal Waste Authority), Roseville, CA (Western Placer Waste Management Authority), San Jose, CA (Green Waste), Milpitas, CA (Republic Services), Sharjah, United Arab Emirates (Bee'ah), Stanton, CA (CR&R Environmental Services), Sunnyvale, CA (Bay Counties Waste Services), and Sun Valley, CA (Athens Services).
- **2. Myth:** Republic Services thinks that advanced sorting technology doesn't work

#### Facts:

- One significant validation of EcoHub-Houston-Houston's mixed waste sorting technologies can be found Republic Services' recently opened All in One Recycling™ facility in Anaheim, CA (Orange County). EcoHub-Houston LCC founder George Gitschel first proposed the concept and system design for the Anaheim facility to Republic Services in early 2011, which was a concept and design that they had never considered.
- Despite the fact that they knew that the sorting technology was feasible, Republic responded to the Houston One Bin for All RFP with a lengthy submittal stating the mixed waste recycling "couldn't be done." It is important to note that Republic Services doesn't own or operate landfills in Orange County.
- See more at: <http://www.rewmag.com/article/republic-commercial-sorting-system-anaheim-rrt-bhs/>.

**2. Myth:** EcoHub-Houston's MaxDiverter sorting technology is unproven

#### Facts:

- EcoHub-Houston uses the same initial 12 sorting and recovery features as the other conventional solid waste separation and recovery systems currently utilized by the other

communities listed above. As with other facilities, the basic process involves trying to separate and recover the light fraction high-value recyclables (e.g., cardboard, mixed paper, plastics, aluminum cans and tin cans) from mixed solid waste. All sorting systems of this type—including the MaxDiverter system designed by EcoHub-Houston—work utilizing the basic laws of physics.

- The differentiator for MaxDiverter versus the other systems is that the MaxDiverter separates literally every single element contained in mixed solid waste (e.g., all the different grades of paper, all of the different grades of plastic, all the different grades of metals, glass by color and type, food waste, green waste, wood, diapers, etc.). The MaxDiverter incorporates the same basic technologies as existing plants, but deploys 58 steps to extensively refine the separation and recovery efficiency. More refined sorting equals total separation and recovery.

**3. Myth:** EcoHub-Houston's MaxDiverter sorting system will not achieve its proposed level of performance

**Facts:**

- No other advanced municipal solid waste sorting system in the world has been provided with the performance guarantees that EcoHub-Houston has obtained for the MaxDiverter.
- During the Houston response process, EcoHub-Houston submitted a mass balance, based upon the MaxDiverter process flow diagram which incorporated the Houston waste characterization study, to each component manufacturer and Stadler (the systems integrator).
- As a result of the proven performance of each system component, each manufacturer, along with Stadler, will provide EcoHub-Houston Houston with a written and bonded 95% efficiency performance guarantee and a 97% uptime guarantee.
- These unprecedented guarantees were the result of three years of intensive discussions and negotiations with each supplier and Stadler. It is important to note that Stadler (founded in 1791) and their suppliers have **never** had an integrated system fail to meet their performance guarantees.
- Furthermore, Group ACS—one of the world's largest construction companies and processors of municipal solid waste globally, is providing a full Engineering, Construction and Procurement (EPC) wrap/performance guarantee on the MaxDiverter.
- EcoHub-Houston can access project capital because of the multiple guarantees described above.

**4. Myth:** Paper and other material processed through EcoHub-Houston will be contaminated and therefore need to be landfilled

**Fact:**

- As mentioned previously, EcoHub-Houston only sells 5%-10% of recovered materials (primarily metals and glass) into the commodities market. The rest of the material is

manufactured into finished products on site.

- EcoHub-Houston's conversion and manufacturing partners are able to process materials of varying quality, ensuring that all materials in the waste stream (e.g., plastics, fiber, organic material, etc) are put to their highest and best use.
- As a result of our ability to utilize virtually everything in the waste stream, EcoHub-Houston will contractually commit to achieving a landfill diversion rate of 75% for the City of Houston.

## **Financial**

**1. Myth:** Given the financial difficulties experienced by the Montgomery, AL mixed waste processing facility, the approach proposed by EcoHub-Houston cannot be financially viable

### **Facts:**

- Montgomery had a bad business model—this is why it failed. While the sorting technology used in Montgomery worked very effectively, the facility was not financially viable and began losing money in the face of a prolonged dip in commodity prices.
- In similarity to the reasons provided by Waste Management for increasing recycling processing costs per ton in Houston from \$0 to \$90, the Montgomery facility's exposure to commodity risk ultimately forced the plan to shut down.
- Whereas the Montgomery facility was subjected to the risks associated with the commodity market, EcoHub-Houston and its partners produce manufactured products on site and only sell 5%-10% of reclaimed resources (primarily metals and glass) as commodities.
- Given that the market for finished products such as liner board and paper products is very stable, EcoHub-Houston's finances will also be stable over time. For example, International Forest Products (owned by the Kraft family, who are also the owners of the New England Patriots and Gillette) will sign a 25 year plus agreement to purchase the liner board and tissue products from EcoHub-Houston-Houston site.
- This type of stability leads to predictable revenue streams for EcoHub-Houston-Houston, and the corresponding ability to pass on substantial savings to the City of Houston.

**2. Myth:** Citizens of Houston will be required to pay more taxes for EcoHub-Houston-Houston

### **Facts:**

- EcoHub-Houston comes at no additional cost to taxpayers and the City of Houston.
- The EcoHub-Houston consortium will be investing approximately \$825 million in private capital to construct the facility.

- In addition to significantly reducing solid waste management costs for the City of Houston, EcoHub-Houston will also provide the City with an additional revenue share on carbon credits generated by the facility.
  - Furthermore, EcoHub-Houston will eliminate the need for the City of Houston to implement a garbage tax of \$75m-\$100m.
3. **Myth:** EcoHub-Houston will be more expensive than the status quo

**Facts:**

- EcoHub-Houston will generate substantial costs savings for the City of Houston. In fact, the \$25 tip fee per ton that EcoHub-Houston will receive from the City is less than the cost of the Republic Services landfill (\$27.50) and substantially less than the current processing (\$90) for that Waste Management charges for recycling.
  - So, the City of Houston has the opportunity to get to a guaranteed 75% diversion rate for less than the cost of a landfill!
4. **Myth:** The City of Houston will incur financial risks by moving forward with the project

**Facts:**

- The City of Houston will have no financial risk exposure as a result of the project.
- The project's capital and operating costs will be completely funded by private sources.
- The project will generate tens of millions of dollars in savings in comparison to the City's current solid waste management cost structure.
- EcoHub-Houston is so confident in its approach that it is setting aside more than \$12m dollars to reestablish Houston's recycling program in the highly unlikely event that there is an issue with the EcoHub-Houston project.

**Environmental**

1. **Myth:** EcoHub-Houston will incinerate materials

**Facts:**

- EcoHub-Houston is an eco-industrial complex that repurposes reclaimed resources to their highest and best use.
- EcoHub-Houston uses clean, green technologies to remanufacture resources into finished products. Our philosophy is that everything in the resource stream should be repurposed into its highest and best use.
- Incineration is completely inconsistent with our approach. In fact, EcoHub-Houston's proposed contract with the City of Houston explicitly prohibits incineration.

## **2. Myth:** EcoHub-Houston will create environmental justice issues

### **Facts:**

- EcoHub-Houston Houston will be located on a 900-acre campus that is in lightly populated area. In fact, the site is down the road from the McCarty Road Landfill and is far removed from residential areas.
- The abandoned facilities on the site will be renovated and repurposed and the campus will include a visitor center and host IBM's Center of Excellence for Smarter Waste Management.

## **3. Myth:** The EcoHub-Houston facility threatens air quality

### **Facts:**

- EcoHub-Houston uses clean and green manufacturing and conversion technologies that produce virtually no emissions and effluents.
- Given this fact, EcoHub-Houston expects that it will quickly receive approval for the project from the Texas Commission on Environmental Quality.

## **4. Myth:** Houston can dramatically increase the recycling rate without incurring substantial additional costs

### **Facts:**

- Recyclable processing costs are dramatically increasing in every city in America. As witnessed by Houston's recent Waste Management Single Stream processing contract increase from \$0 ton to \$90 per ton (without glass) and the large costs associated with collection, the current recycling business model is not sustainable for Houston (or other US Cities, for that matter.)
- The problem with the current program is the City is actually penalized with greater participation in the recycling program by the residents. A 50% diversion rate is commonplace with most Single Stream programs. If that rate were to occur in Houston, the effective cost of processing all of the City's waste and recyclables would average \$58.75 per ton or \$25m per year!
- Recycling processing prices are likely to continue to increase in the future. In similarity to how airlines implemented baggage fees during tough economic times and kept these fees in place, the processors have a captured market and will continue to increase prices. The only options for Cities in this market are to significantly increase charges/fees to residents or to drop recycling entirely. This is exactly why Director Hayes recommended a "garbage fee" for Houston's single-family residential customers of \$15 to \$20 per month per residence. This would equate to a new tax of \$75m to \$100m per year for Houstonians.
- EcoHub-Houston will produce at least a fivefold increase in Houston's recycling rate (from 17% to 75%). Based on EcoHub-Houston's unique approach and model, it is possible that the



recycling rate could be as high at 95%. As a result of the One Bin approach, 100% of single-family homes in Houston will be enrolled automatically at a lower cost than the City currently spends on these services.

## Sylvester Turner

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**From:** Maya Ford <maya@mayaford.me>  
**Sent:** Monday, July 25, 2016 11:11 AM  
**To:** Sylvester Turner  
**Subject:** IMPORTANT: Full Story...

Hi there, Pops.

I hope you're doing well. I learned that Harry Hayes sent you an article about a mixed waste facility in Alabama today.

This scenario is not apples to apples. Harry knows it, and he's been confusing the matter the entire time. To boot, he's made NUMEROUS deals that have not benefitted the city while we were in one-bin discovery, he's not provided constituents with any other alternatives, AND he's exhibited the "just believe what I tell you" directive that he's saying is inappropriate. If someone does open records on this it's going to STINK to high heaven in poor leadership, at minimum; inappropriate business dealings are also being suggested.

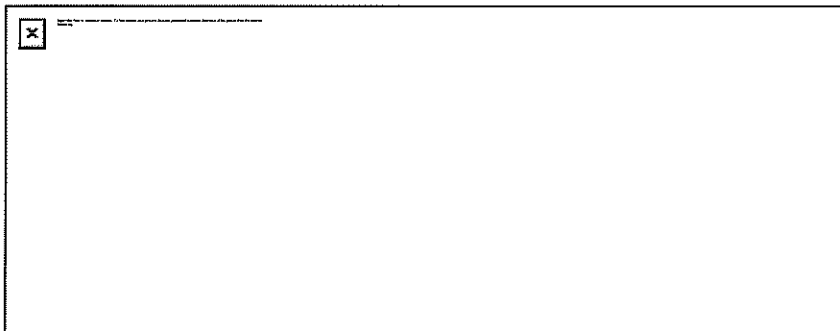
PLEASE get Harry, Sue, Andy, Chris, and the group that decided upon the winner of the One Bin bid (Dr. Jim Blackburn from the transition team was one of them) into a room to discuss it together. If you're so compelled, it would be ideal to have the winners, ECOHUB, in the room, too. Everyone else I speak to who understands the entire picture and it's nuances understand why Alabama, California, and "dirty MRFs" are different from this scenario.

This is NOT the entire story, and it's not equitable. It's like asking how you make a cake without explaining that cake has extra liquid and cookies don't. He's making all cookies seem like fraudulent cakes. There's more science to it, Harry knows this, and his inability to relay that speaks to ineptitude or favoritism towards existing businesses that benefit from our lack of innovation.

Go broader, please.

XOXO.

M.



Maya Ford, Strategic Marketing & Communications  
Buzz Me! 713.966.6937, ext. 901

**Maya@MayaFord.me**

**www.MayaFord.me**

## Sylvester Turner

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**From:** Sylvester Turner - MYR <Mayor.ST@houstontx.gov>  
**Sent:** Wednesday, March 09, 2016 7:26 PM  
**To:** sturner@barnesturner.com  
**Subject:** Fwd: Help Houston Recycle

Sent from my iPhone

Begin forwarded message:

**From:** "Evans, Janice - MYR" <[Janice.Evans@houstontx.gov](mailto:Janice.Evans@houstontx.gov)>  
**Date:** March 9, 2016 at 12:49:40 PM CST  
**To:** Sylvester Turner - MYR <[Mayor.ST@houstontx.gov](mailto:Mayor.ST@houstontx.gov)>  
**Subject:** **FW: Help Houston Recycle**

FYI...more from Melanie. WM now says it is willing to continue to accept our recycling.

Janice Evans  
Chief Policy Officer  
& Director of Communications  
Office of Mayor Sylvester Turner  
832-393-0800  
[Janice.evans@houstontx.gov](mailto:Janice.evans@houstontx.gov)

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**From:** Melanie Scruggs [<mailto:melanie@texasenvironment.org>]  
**Sent:** Wednesday, March 09, 2016 11:14 AM  
**To:** Evans, Janice - MYR  
**Subject:** RE: Help Houston Recycle

Dear Mayor Turner and Ms. Evans,

Thank you for your message. We contacted Waste Management again for clarification and they responded with this summary:

*Even if the existing contract which has been extended three times is allowed to expire, WM is prepared to accept the City's recyclables at our facilities, even without a contract. WASTE MANAGEMENT WILL CONTINUE TO PROCESS AND SELL THE CITY OF HOUSTON RECYCLABLES AT MARKET RATES FOR AS LONG AS THE CITY DELIVERS MATERIALS.*

*The City has within their power the ability to greatly lessen the cost of this new contract. The contamination in the COH recycling stream far exceeds national averages and the norm of other cities in our area. A modest effort by the City to reduce the amount of contamination will result in a savings to the City of hundreds of thousands of dollars per year.*

*The proposed contract gives the City extreme leverage on commodity prices. When prices stabilize and return to historical values, the costs of this contract to the City will shrink, and if commodity pricing continues to increase will become a cash generating contract for the City. There is nothing in this proposal that locks the City into today's commodity pricing.*

We understand there is at least one other company, Independent Texas Recyclers, that has the capacity to accept some of the city's recycling materials right now. In other cities in Texas, we have seen situations similar to this lead to split contracts in which more than one company handles the municipal recycling stream. We would like an opportunity to come and meet with you to discuss all the possibilities to keep curbside recycling programs in place.

The current "impasse" between the City and Waste Management is a very difficult situation for all parties. We support the idea that more companies can come and build MRF infrastructure in Houston. However, what we cannot accept is a suspension in curbside recycling programs while we wait for these facilities to be built. We cannot simply stop recycling in neighborhoods for months at a time. So we need to come to a short term solution with Waste Management or another company or some combination of companies.

Please let us know if we can come to your office in the next few days or week. Thank you again for your leadership.

**Melanie Scruggs**

Houston Program Director, Texas Campaign for the Environment  
713-337-4192 (o) | [www.texasenvironment.org](http://www.texasenvironment.org)  
3100 Richmond Ave. Suite 290 | Houston, TX 77098



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**From:** Evans, Janice - MYR [<mailto:Janice.Evans@houstontx.gov>]  
**Sent:** Tuesday, March 08, 2016 9:14 PM  
**To:** Evans, Janice - MYR  
**Cc:** Melanie Scruggs  
**Subject:** Re: Help Houston Recycle

Melanie,

The mayor saw your email and appreciates that you let him know. He encourages you to pursue the email campaign and asked me to pass this statement along to you:

"Waste Management's statement is factually wrong. There have been back and forth discussions for the past two weeks. At no point did I ask Waste Management to help me politically. I did say that I did not expect anyone to lose money. I offered a one year deal with a one year option that called for the city and WM to share the costs. I was not alone when this offer was made so there are others who can corroborate my position.

They said no and came back with a two year deal plus a one year option with a cost that was 40% more than the original six year contract. I could not support that.

City council has raised some legitimate concerns about locking the city in to a six year deal when the market could improve a year from now. I remain committed to recycling and had hoped to work out a short term agreement that would be better for the taxpayers. Unfortunately, we've been unable to get there."

Thank you,

Janice

Sent from my iPhone

On Mar 8, 2016, at 6:04 PM, Evans, Janice - MYR <[Janice.Evans@houstontx.gov](mailto:Janice.Evans@houstontx.gov)> wrote:

Melanie,

Here is a link to WM's company profits:  
<http://www.marketwatch.com/investing/stock/WM/financials>. The one year option still allows them to make a profit. In fact, it would have been more expensive for the city than the first year under the six year option.

Janice Evans  
Chief Policy Officer  
& Director of Communications  
Office of Mayor Sylvester Turner  
832-393-0800  
[Janice.evans@houstontx.gov](mailto:Janice.evans@houstontx.gov)

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**From:** Melanie Scruggs [<mailto:melanie@texasenvironment.org>]  
**Sent:** Tuesday, March 08, 2016 5:28 PM  
**To:** Evans, Janice - MYR; COH - Mayor  
**Subject:** FW: Help Houston Recycle

Dear Mayor Turner and city staff,

Texas Campaign for the Environment would like to assist in generating public pressure on WMI to agree to an affordable, short term recycling contract, and our social media posts have already generated a number of phone calls to CEO David Steiner. When I tested the following email petition to generate emails to David Steiner and Puneet Bhasin at WMI, I received an immediate response from CEO David Steiner which is very troubling, and I do not want him to send that response back to every one of our supporters who signs a petition. I'm passing it along to you so you are aware of what WMI is telling community members. We are not distributing the petition yet as a result of this response.

Our position is that we need to get WMI to agree to a one-year contract that will allow us to put out an RFP for other recyclers to come and develop infrastructure in Houston without suspending recycling. We are doing what we can to keep the pressure on WMI to get the best terms possible.

Melanie Scruggs  
Houston Program Director, Texas Campaign for the Environment  
713-337-4192 (o) | [www.texasenvironment.org](http://www.texasenvironment.org)  
3100 Richmond Ave. Suite 290 | Houston, TX 77098

 <image002.png>  <image003.png> 

-----Original Message-----

From: Steiner, David P. [mailto:David.Steiner@wm.com]

Sent: Tuesday, March 08, 2016 4:57 PM

To: Melanie Scruggs

Cc: Bhasin, Puneet

Subject: RE: Help Houston Recycle

We would love to continue to recycle in Houston, and have been working with the City for over a year to reach an agreement that meets both the City's needs and our needs. The truth is that we have been losing over \$1,000,000 per year on the contract, and a year ago we told the City that we could not continue to lose that amount of money. They completely ignored our requests for a year. Then, two weeks ago the Mayor called me. He said that he realizes that we are not in the business of losing money, but could we just continue to lose money for another 18 months so that he would not look bad as a politician. We agreed to extend the contract for two weeks if we could have constructive conversations to find a solution, and I offered him three or four alternatives. For two weeks they ignored us, did not try to reach a solution, and then came out and called us the bad guys. We want to continue to recycle in Houston. I hope you will let our Mayor know that you would like him to have constructive discussions to find a solution. We stand ready and willing to talk.

David Steiner

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From: Melanie Scruggs [mailto:melanie@texasenvironment.org]

Sent: Tuesday, March 08, 2016 4:42 PM

To: Steiner, David P.

Subject: Help Houston Recycle

Melanie Scruggs  
2002 Harold St.  
Houston, TX 77098

Dear CEO David Steiner and Puneet Bhasin,

As a resident of Houston and a supporter of recycling for all its environmental and social benefits, I am writing to ask you to extend recycling services to Houston residents uninterrupted.

Please be a responsible neighbor, working with Mayor Turner and City Council to agree upon a short term contract that our local government can afford.

Many Houstonians are feeling the effects of low commodity prices and we want to see Houston get on the path to true Zero Waste, where recycling and composting are the norm. Waste Management as a Houston based company, should do as much as they can to ensure that Houston goes forward on recycling, and not backward.

Thank you.

Recycling is a good thing. Please recycle any printed emails.

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No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2016.0.7442 / Virus Database: 4540/11776 - Release Date: 03/08/16

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No virus found in this message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 2016.0.7442 / Virus Database: 4540/11782 - Release Date: 03/09/16



## Sylvester Turner

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**From:** Sylvester Turner - MYR <Mayor.ST@houstontx.gov>  
**Sent:** Saturday, July 23, 2016 11:29 PM  
**To:** sturner@barnesturner.com  
**Subject:** Fwd: Former "Model" Mixed Waste Processing Plant

Sent from my iPhone

Begin forwarded message:

**From:** "Harry Hayes (2)" <Harry.Hayes22@houstontx.gov>  
**Date:** July 22, 2016 at 11:01:15 AM CDT  
**To:** Sylvester Turner - MYR <Mayor.ST@houstontx.gov>, "Icken, Andy - MYR" <Andy.Icken@houstontx.gov>, "Butler, Christon - MYR" <Christon.Butler@houstontx.gov>, "Evans, Janice - MYR" <Janice.Evans@houstontx.gov>, "Dowe, Kelly - FIN" <Kelly.Dowe@houstontx.gov>, "Olenick, Jennifer - FIN" <Jennifer.Olenick@houstontx.gov>, "Edgar, Keith - SWD" <Keith.Edgar@houstontx.gov>  
**Cc:** "Mason, Sarah - SWD" <Sarah.Mason@houstontx.gov>, "Francis, Steve - SWD" <Steve.Francis@houstontx.gov>, "Bowie, Anthony - SWD" <Anthony.Bowie@houstontx.gov>, "Wright, Carolyn - SWD" <Carolyn.Wright@houstontx.gov>  
**Subject:** Former "Model" Mixed Waste Processing Plant

Mayor,

Please see the article on the mixed waste plant in Montgomery Alabama. This facility and its group were touted as the "next generation" of recycling facilities and recovery rates for the recycling industry. Unfortunately, their overly ambitious plans met with the fate that those of us in the know fully expected. Their charged rate to the city was \$28 per ton, which about the average rate charged for landfill disposal. The amount they were charging the city of Montgomery was only \$7 less than what was proposed here in Houston under the length one bin discovery project.

Please note the city's terms and conditions for any future operator of the facility, most glaringly no financial support from the city. This facility, unfortunately, has met the same fate of many other facilities and bleeding/cutting edge technologies that aren't not far removed (if at all) from the "just believe what we tell you" book of business.

Thanks.

## Alabama city takes charge of failed mixed-waste facility

*By Jared Paben, Plastics Recycling Update*

*July 20, 2016*

Montgomery, Ala. has reached an agreement to assume ownership of Infinitus Energy's shuttered mixed-waste



processing operation.

Montgomery announced in a press release it would spend \$625,000 to acquire the Infinitus Renewable Energy Park (IREP), including the equipment, building and land.

The facility, which had billed itself as a potential model for lifting recovery rates, opened two years ago but quickly went out of business. It cost \$35 million to build.

Mixed-waste processing facilities aim to separate plastics and other recyclables from MSW streams. The concept has been controversial in recycling circles.

In addition to the \$625,000 sum, the City agreed to cover "other consideration," including legal fees. Florida-based Infinitus Energy agreed to promptly file for Chapter 11 bankruptcy and ask the judge to approve the transfer of property to the City.

At the Montgomery City Council meeting on July 19, Mayor Todd Strange said the agreement and bankruptcy filing will avoid what could have been a lengthy court process, The Montgomery Advertiser reported.

Strange said the City is looking for another operator to run the plant.

"Although it's been a long road, today marks a significant step toward bringing one of the most technologically advanced recycling facilities in the nation back on-line," Strange stated in the press release. "Our vision is to find a partner who can not only take over operations at the facility and succeed, but we want to find someone who will lead us into the future and set an example other cities can follow."

The city's finance director has met with at least five potential facility operators in recent months and will continue meeting with interested parties, according to the press release. The City wants to find an operator that won't require ongoing payments from the City and its solid waste authority.

"Any potential operator must agree to take the facility and process recycling without any additional financial commitments on behalf of the City and Authority," the press release noted.

Strange previously said that once the facility transfer was completed, the City would likely switch to single-stream collections instead of a mixed-waste collection system. A potential switch to single-stream was not mentioned in the recent press release or City Council comments.

Tuesday's announcement came after months of negotiations between the parties over the future of IREP, which opened in April 2014 but closed in October 2015 as a result of low commodities values. Kyle Mowitz, owner of Infinitus Energy, previously said the contract between the City and IREP left all the market risk squarely on the company and none on the City.

**Harry J. Hayes**  
**Chief Operating Officer**  
**Office of Mayor Sylvester Turner**  
**City of Houston, Texas**

**611 Walker, 12th Floor**  
**832.393.0454 (ofc)**  
**713.837.9110 (fax)**

***"The City of Houston is a City of Solutions"***