

**RAMSEY/WASHINGTON COUNTY  
RESOURCE RECOVERY PROJECT BOARD  
SEPTEMBER 25, 2014  
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 9:00 a.m., September 25, 2014, at the Oakdale Discovery Center in Oakdale, Minnesota.

**MEMBERS PRESENT**

Commissioners Toni Carter, Blake Huffman, Rafael Ortega, Victoria Reinhardt – Ramsey County  
Commissioners Ted Bearth, Autumn Lehrke, Fran Miron, Lisa Weik – Washington County

**MEMBERS ABSENT**

Commissioner Janice Rettman - Ramsey County

**ALSO ATTENDING**

Joel Andersen, Kate Bartelt, Andy Benedetti, Sara Bergan, Mary Elizabeth Berglund, Gary Bruns, Chris Gondeck, Chris Goodwin, Zack Hansen, Erin Hesse, Susan Hubbard, Judy Hunter, Curtis Johnson, Kevin Johnson, Lowell Johnson, Jennifer Klennert, Steve Knight, Jim Kuhn, George Kuprian, Sue Kuss, Mark LeMay, John Marshall, Dan Ostrenga, Judy Randall, Peder Sandhei, Norm Schiferl, Warren Shuros, Kevin Tritz, Ryan Tritz, Joe Wozniak

Introductions were made.

**APPROVAL OF AGENDA**

Commissioner Weik moved, seconded by Commissioner Miron, to approve agenda.

Roll Call:           Ayes – 7           Nays – 0           Motion Carried.

**APPROVAL OF THE JULY 24, 2014 MINUTES**

Commissioner Bearth moved, seconded by Commissioner Miron, to approve the minutes.

Roll Call:           Ayes – 7           Nays – 0           Motion Carried.

**PROGRAM MANAGEMENT**

**Report of Budget Activity**

Susan Kuss summarized the budget activity report. There were no questions.

**Project Fund Balance Policy**

Susan Kuss said that at the July 24, 2014 Resource Recovery Project Board meeting, Commissioners asked staff to draft a fund balance policy for the Resource Recovery Project.

Commissioner Rafael Ortega arrived.

Staff recommends that the Resource Recovery Project Board adopt a minimum fund balance policy of two months of the subsequent year's budget, which at this time is \$1,847,046. This amount will be measured on December 31 of each year. If the fund is deficient on that date, both Counties will be invoiced a special assessment for fund balance per their respective share of the Project. Any funds in excess of two months of

the subsequent year's budget will remain in the fund balance pending a decision by the Project Board on the future of processing.

Commissioner Carter moved, seconded by Commissioner Weik that the Ramsey/Washington County Resource Recovery Project Board establishes a fund balance standard of a minimum of two months of the subsequent year's expenditures for cash flow purpose and directs. Project staff to evaluate the level of fund balance annually and assess the Counties their share of any projected shortfall.

Roll Call:                      Ayes: 8                      Nays: 0                      Motion Carried

#### **Update on Consultant Solicitations**

Kate Bartelt updated the Project Board on the consultant solicitations. For the County Environmental Charge, three audit proposals were received: Olsen Thielen & Co, LTD (the current vendor), Wipfli LLP and CliftonLarsonAllen LLP. The staff review team consisted of Sue Kuss, Kate Bartelt, Joe Wozniak and Gary Bruns.

For the Strategic Communications, five proposals were received: Jeff Dehler, Himle Rapp & Company, Exponent, Goff Public Relations & Affairs and Tunheim. The staff review team consisted of Zack Hansen, Judy Hunter, John Sigveland, Chris Burns, Andy Gitzlaff and Kate Bartelt.

The timeline is:

- Week of September 22 , 2014 – staff review and ranking
- Early October 2014 – interviews
- Nov/Dec 2014 – approval and execution by Executive Committee
- January 1, 2015 – contract starts

#### **NON—RESIDENTIAL ORGANIC WASTE AND RECYCLING**

##### **Progress Report**

Kate Bartelt updated the Project Board on the BizRecycling Program.

- To date in 2014, worked with nearly 200 businesses.
- Key findings
  - Takes on average, 20 connections before a business implements a program.
  - Lots of confusion regarding organic recycling remains.
  - Word of mouth is driving businesses to BizRecycling.
- 41 grants issued to-date
  - \$206,578 distributed
  - \$256,107 total impact
  - 41% of 2014 grand funding distributed
  - 65 businesses participating
  - 20 grants from Ramsey County and 21 Grants from Washington County
- Major Advertising Campaign push October – December 2014
  - New State Law
  - Articles in chamber and business publications
- City Recycling Coordinator Outreach
- Articles in County and City publications
- Still coming in 2014

- Reorganization of LessTrash.com website
- Video library
- GIS database & report
- Support for Woodbury & Oakdale Businesses

Commissioner Miron stated that as we continue on these issues, Commissioners who represent those communities should be included in those meetings.

**Criteria for Business Association Grants**

Kate Bartelt stated that at the July 24, 2014 Project Board meeting, the Board approved the Addendum to the 2015 Project Budget and forwarded it to the County Boards for approval. That addendum re-allocated \$140,000 to create a new business-oriented grant program. This is modeled after the Solid Waste Management Coordinating Board’s Community POWER program. The Community POWER program at SWMCB’s level is giving small grant funds to non-environmental organizations to do environmental messaging.

Currently, Ramsey County has provided funding as a Special Project to the SWMCB for six grantees. Project staff recommend continuing to work with the grantees through the Community POWER program at SWMCB until those grants expire in August 2015.

The new grant program will be called BizAware (Advocates for Waste and Recycling Education). Project Staff recommend that the grant criteria be used to develop a grant solicitation and agreement in consultation with legal and finance staff.

- Competitive grant solicitation
- Grant Criteria
  - Business organizations in Ramsey and Washington Counties including:
    - Commercial Clubs
    - Chambers of Commerce
    - Economic Development Commissions
    - Economic Development Authorities
    - Business Leagues
    - Non-profit Development Corporations
  - \$15,000 per year for 3 years with potential 2-year extensions
  - Develop program to outreach to business audiences about importance of recycling and the services BizRecycling

Commissioner Ortega moved, seconded by Commissioner Weik that the Ramsey/Washington County Resource Recovery Project Board approves the BizAware (Advocates for Waste and Recycling Education) grant program and criteria; authorizes the Joint Staff Committee, working with the County Attorneys, to design and implement administrative procedures and implement the program in conformance with those presented to the Project Board at its September 24, 2014 meeting; the program is to be implemented in January 2015; delegates to the Lead Staff person for the Project the authority to execute the said grant agreement on behalf of the Project conditioned upon approval as to form by the County Attorneys.

Roll Call:                      Ayes: 8                      Nays: 0                      Motion Carried

## **POLICY EVALUATION**

### **Evaluation Progress Report**

Zack Hansen said that the Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014 leading to a decision point in 2015 about the future of waste processing.

- Key Questions
  - How should processing of MSW be integrated into the solid waste system in the East Metro Area?
  - What should be the role of the Counties with regard to integrating processing in the solid waste system?
- Guiding Principles
  - Plan for a 20-30 year horizon
  - Build on the current system and allow changes in processing to emerge over time
  - Assure flexibility
  - Manage risks
  - Pivot the view from “waste” to “resources” to add value to the local economy and environment
- Today’s Progress Report
  - Confirm the Scope for Resource Management
  - Updates on Technology Issues
    - Waste composition study results
    - Meeting a 75% recycling goal by 2030
    - Anaerobic Digestion
    - Gasification
  - Policy Update
    - Waste Assurance
    - Governance

### **Xcel Energy Presentation**

Jim Kuhn, Director of the Minnesota Refuse Derived Fuel Plants, said the current RRT/Xcel Energy RDF Fuel Supply agreement expires December 31, 2017.

- Plant Life Extension Studies
  - In 2010, life extension studies were completed on the Wilmarth and Red Wing Plants.
  - The purpose was to better understand the technical and commercial issues associated with the potential operation of the RDF plants beyond 2012 in order to aid in the evaluation of future fuel supply contracts.
  - The studies did not identify any issues that would require major additional capital investment above typical spending levels through 2027.
  - In 2012, the plants developed and are implementing a 15 year capital plans to ensure continued safe and reliable operation through 2027.
  - Property adjacent to Wilmarth and Red Wing landfills has been purchased and is being permitted to facilitate operation into the early 2030s.
- Next Steps
  - An Xcel Energy internal team has been formed to evaluate continued operation through 2027.
  - Evaluation includes:
    - Environmental review

- Federal and State Regulation outlook
- Economic analysis
- Resource plan
- Final decision Fall 2014

Commissioner Miron said will the internal evaluation that Xcel is doing, will that be made available to the public or the Project Board?

Mr. Kuhn stated it will not be made public. Xcel will let the Project Board know the decision, but will not show the data.

### **RRT Presentation**

Chris Gondeck said that the Project Staff sent him an email with questions that they wanted answered. Here is the response to each question.

#### **Question 1a.**

What is RRT's vision for the role of the Facility in waste management in the future?

#### **Answer:**

The Newport Facility is well positioned to continue with its central role in handling up to 500,000 tons of MSW. RRT has been actively reviewing new and emerging technologies for the last eight years. Our review included a process for extruding MSW into a pellet form of fuel (type of RDF) as a substitute for coal, converting recyclables into diesel fuel, anaerobic digestion of MSW material into natural gas and other organic materials into ubiquitous fuels.

#### **Question 1b.**

Describe where RRT would like to be with regard to waste processing in the next five years. 20 years?

#### **Answer:**

Fortunately, the Newport Facility can be expanded or adapted to different processes and has two identical processing lines. This makes the Facility uniquely suited for evaluating the feasibility of many emerging technologies currently being considered.

#### **Question 1c.**

Do you see any gaps in the Counties evaluation? Do you have any suggestions that the Counties should consider in the evaluation?

#### **Answer:**

Proven technologies are rare in the WTE business. While early adopters of new and emerging technologies can pave the way for future development, failure is common and often the most expensive point in the development timeline. Any future action to improve waste processing to meet the higher recycling goals should be designed in a manner that protects what is already a proven technology and working well such as producing RDF at the Newport Facility. If processing MSW into RDF remains the primary waste process over the next 5 – 20 years, then any future system should include an efficient way to bypass the new or emerging technology, to protect the integrity of the RDF process.

#### **Question 2a.**

What process is RRT using to look for and examine new or emerging technologies?

#### **Answer:**

New and emerging technologies that appear promising are thoroughly evaluated for return on investment, cost benefit and "proof of concept". Fortunately, the facility has two identical production lines. New and emerging technologies can be implemented on the second line subject to the success of the first line. Crucial to the success of new and emerging technologies for processing

waste is a guaranteed market for products produced from financially sound buyers/users who have the means to honor long-term contracts. This was the case when Ramsey and Washington Counties originally contract with NSP/Xcel when the Newport Facility was built in 1987. As an alternative to finding a financially sound buyer/user, the products produced could be used internally.

**Question 2b.**

Does RRT have concerns about the Counties' direction, or see opportunity in it?

**Answer:**

RRT sees the Counties' exploration of landfill alternatives as a significant opportunity to extend the operational life of the facility in conjunction with the shared goal of the Facility ultimately becoming a "subsidy independent" business.

**Question 2c.**

Does RRT have any changes in technology on the near-term horizon?

**Answer:**

RRT is constantly reviewing the waste-to-energy process for efficiencies and increased recovery of recyclables. In our opinion, everything is a work in progress as new and emerging technologies evolve.

**Question 3a.**

How does RRT see the economics of the system evolving?

**Answer:**

RRT believes that, until new or emerging technologies become feasible and cost effective, the economics of solid waste processing will continue to be directly linked with landfill tipping fees and transportation costs. However, as technologies improve, it is likely that recycling and processing of MSW will become more efficient in recoveries and the materials produced (metals, plastics, organics, etc.) will become more marketable.

**Question 3b.**

How do you see enforcement of Minn. Stat. 473.848 impacting waste supply to the Facility?

**Answer:**

RRT presently benefits from contractual arrangements with haulers which provide sufficient MSW to operate the Facility at levels appropriate to sustain the two Xcel burn plants at full capacity. However, the economics of these contracts are dictated by the cost of landfill alternatives, making the Counties' continued financial support of the Facility necessary. In this regard, while enforcement of Minn. Stat. Section 473.848 will likely assure the Facility continues to receive sufficient waste, it is also likely that the economics (e.g., the hauler subsidy) will continue to be dependent on in-State and out-of-State landfill prices and transportation costs.

**Question 3c.**

Please describe any changes in the economics of waste delivery you may have recently encountered.

**Answer:**

RRT has not encountered any significant changes in the economics of the waste delivery system as it pertains to operating the Facility.

**Question 3d.**

Do you see any opportunities to change the economics of getting waste to combustion facilities?

**Answer:**

Over the last 8 years, RRT has substantially reduced the cost of operating the Newport Facility and improved revenues. The cost savings included changes in work hours, elimination of contractors, reduction of workers compensation claims, overhauling transportation costs by changing service providers, revising pricing formulas, increasing backhauls, improving trailer rotations, increasing trailer loads and by optimizing maintenance procedures to take advantage of new and improved equipment. Revenues were increased through negotiating higher prices for ferrous and non-ferrous metals and by increasing the percentage of metals recovered. Although we continue to explore

ways to lower costs or improve revenues, such opportunities are not easily obtainable. For example, we increased the average weight of RDF loaded onto the trailers by one ton over the last year as a way of reducing transportation costs. However, since there are DOT weight restrictions, further increases in weights can only be achieved by replacing steel trailers with aluminum trailers.

**Question 4a.**

What are RRT's opinions about the 75% recycling goal?

**Answer:**

RRT believes the 75% recycling goal is very aggressive given the amount and condition of recoverable material left in the MSW after the waste has been sorted through the Counties' and Haulers' numerous recycling programs. The new goal appears to put substantial financial burden on the Counties.

**Question 4b.**

What other waste streams have you looked at, besides MSW, for RDF production?

**Answer:**

Since 2013, RRT has supplied Xcel with sufficient fuel to assure they were new or at capacity. We project this trend will continue through 2015.

**Work in progress – challenges to date**

- Producing a homogeneous feed stock for anaerobic digestion or ethanol
- Proven concepts for large scale operations
- Costs
- Reliable and financially sound customers/partners
- Reliable waste sort information – ferrous? Non-ferrous?
- Potential revenue to offset costs
- 340,000 tons of MSW with recycling and organics vs. 460,000 total tons
- Metals recovery – 340,000 tons vs. metals recovery – 460,000 tons

**Continued: Evaluation Progress Report**

Zack Hansen continued with the Evaluation Progress Report.

A Scope for Resource Management is designed using the Board's guiding principles and based on Project Board input. It describes a system that begins with existing source separation and processing systems and evolves to stronger source separation programs and newer and more flexible technologies. The Scope is neutral as to ownership of the Newport Facility. The timing of the Scope was developed to allow adequate time for policy decisions and evaluation of new and emerging waste conversion technologies. Following discussion, the Board concurred with the Scope.

**Waste Composition Study**

- Study conducted in June – July 2014
  - Residential waste 45%
  - Commercial waste 55%
- Top 10 categories for both lacking in traditional recyclables
- Several of the top 10 categories will be difficult to manage and/or do not have readily available end markets
- Food waste -- a clear target
- Consistent with waste sort studies completed in jurisdictions with mature, aggressive recycling and diversion programs

Meeting a 75% recycling goal by 2030

- To meet 75% recycling goal, 3 alternatives were studied:
  - Increase collection of source separated organics and recycling from residents and commercial sectors.
  - Use mixed waste processing technology at Newport to separate waste sent to the facility and recover recyclables and organics before processing the remaining waste into RDF.
  - Use a combination of source separated organics and recycling and mixed waste processing.

Important to Note

- Uses current data (2013 – 2014) to forecast
- Looks at current recyclable materials (metal, glass, paper, plastic, organics) and adds yard waste
- Includes non-traditional items such as bulky material, carpet, etc.
- Assumes that markets are available for recovered recyclables

Findings and Next Steps

- By using very aggressive source separation programs and implementing mixed waste processing at the Facility, Ramsey and Washington Counties could achieve a recycling rate of 67%, short of the 75% by 2030 goal.
- There are one-time and ongoing costs to achieve this
- Success in recovery depends on strong markets for the materials that are separated for recycling
- Next Steps:
  - Peer review of this analysis
  - Carbon and Energy Analysis
  - Economic Analysis
  - Additional policy discussion

Commissioners Huffman and Ortega left the meeting.

#### **Waste Delivery & Project Governance Issues**

Kevin Johnson & Sara Bergan, Stoel Rives, gave an overview to the Project Board on Waste Designation, Waste Delivery and Governance Issues.

#### **Policy Recommendations – Waste Diversion Goal**

Judy Hunter said that staff have prepared a policy paper and recommendations that suggest an alternate method of measuring progress in meeting State goals. The purpose of the concept outlined in the position paper is to assure that we measure progress in meeting State policy goals in a practical manner and taking into account new and emerging technologies such as anaerobic digestion.

Commissioner Reinhardt suggested calling it a Waste Hierarchy Goal. The Project Board are in agreement with the change.

The evaluation of this proposal:

- This approach adheres to State policy as outlined in the Waste Management Act and clarifies the distinction between data and analysis needed to measure progress in meeting State goals.
- This approach uses measures based on actual data from reasonably accurate sources, compared to current practices which include a significant amount of estimating.
- This approach is less complicated for local and State governments to implement and data would be gathered from limited number of sources, places facilities or haulers.



- This approach accommodates advancing technology that are challenging traditional waste categories, such as anaerobic digestions, which has elements of recycling, composting and waste-to-energy.
- There would still be a need to collect some detailed data for program management (such as recycling performance among certain sectors, such as residential recycling, or for certain materials, such as plastics), but that would be gathered based on need.
- Creates a new requirement for land disposal facilities to report volumes and conduct periodic waste sorts, similar to requirements for waste-to-energy facilities.
- Results could be significantly affected by changes in economic conditions and also changes in demographics.

Commissioner Carter moved, seconded by Commissioner Lehrke that the Ramsey/Washington County Resource Recovery Project Board hereby approves the Policy Paper entitled “Moving to a Waste Hierarchy Goal.” The Project Board hereby directs the Policy Paper “Moving to a Waste Hierarchy Goal” be forwarded to the Solid Waste Coordinating Board (SWMCB) with a recommendation that the SWMCB (1) develop a measurement system following this proposal in 2015, and use it for system measurement in 2016; and (2) consider legislative proposals to put such a measurement system into State law.

Roll Call:                      Ayes: 6                      Nays: 0                      Motion Carried

**Policy Recommendations – Market Development**

Judy Hunter said that staff have prepared a policy paper and recommendations that recommend that Minnesota develop and implement a comprehensive strategic plan for recycling market development. The Project Board is requested to discuss this paper and consider action to forward it to the SWMCB for action at the regional level.

The Legislature should create a recycling markets development task force, accountable to the Legislature, to prepare a comprehensive long-range plan for recycling market development in Minnesota.

It is recommended that:

1. The Recycling Markets Development Task Force would include other local/State agencies.
2. A third party convene the Task Force.
3. The plan be developed and reported to the Legislature by January 2017.
4. The Task Force develop a comprehensive, long-ranged plan for market development that meets key objectives.
5. The Legislature appropriate \$750,000 to complete the plan which would include technical research conducted by agencies, the U of M and consultants.

Commissioner Weik approved, seconded by Commissioner Miron that the Ramsey/Washington County Resource Recovery Project Board hereby approves the Policy Paper entitled “More Recycling Requires More Markets.” The Project Board hereby directs the Policy Paper “More Recycling Requires More Markets” by forwarded to the Solid Waste Management Coordinating Board (SWMCB) with a recommendation that the SWMCB adopt this position paper and legislative recommendation, include it in its 2015 legislative platform, and pursue legislation to enact the recommendation in State law.

Roll Call:                      Ayes: 6                      Nays: 0                      Motion Carried

**OTHER BUSINESS**

**Conference & Tours**

Zack Hansen said that there is a summary of the tours that they have attended available to Commissioners who have not attended.

**Staff Updates**

Zack Hansen reviewed the 2015 Schedule.

**ADJOURNMENT**

Chair Reinhardt adjourned the meeting.

Approved

  
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Signature

Chair: Commissioner Fran Mirza

Date: January 22, 2015