



**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT**

2785 White Bear Avenue • Suite 350 • Maplewood, Minnesota 55109 • 651.266.1194 • 651.266.1177

MEETING NOTICE

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD MEETING**

DATE: August 23, 2012

TIME: 9:00 a.m.

PLACE: Resource Recovery Project/Ramsey County Environmental Health Offices
2785 White Bear Avenue, Suite 350
Maplewood, MN 55109

AGENDA:

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES – March 29, 2012**
- IV. BUSINESS**
 - A. Policy
 - 1. 2013 – 2015 Processing Agreement with RRT Action
 - 2. Amendment to Agreement with Stoel Rives, LLC Action
 - 3. Agreement with Stoel Rives, LLC for Appraisal Services Action
 - 4. Revised 2012 Meeting Schedule Information
 - B. Updates
 - 1. Organic Waste Management Update Information
 - 2. Staff Updates Information
- V. OTHER BUSINESS**

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD
MARCH 29, 2012
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 9:00 a.m., March 29, 2012 at the Saint Paul - Ramsey County Public Health, Environmental Health Section, in Maplewood, Minnesota.

MEMBERS PRESENT

Commissioners Toni Carter, Rafael Ortega, Janice Rettman, Victoria Reinhardt – Ramsey County
Commissioners Dennis Hegberg, Gary Kriesel, Autumn Lehrke, Bill Pulkrabek – Washington County

MEMBERS ABSENT

Commissioner Jan Parker – Ramsey County

ALSO ATTENDING

Cheryl Armstrong, Mary Elizabeth Berglund, Gary Bruns, Mary Divine, Dan Donkers, Marty Gagliardi, Chris Gondeck, Zack Hansen, Joe Heinz, Ryan Howell, Judy Hunter, Curtis Johnson, Julie Ketchum, Randy Kiser, George Kuprian, Susan Kuss, Harry McPeak, Tina Patton, Karen Reilly, Sig Scheurle, Katie Shaw, Warren Shuros, John Springman, Bill Stamets, David Stewart, Susan Stewart, Ryan Tritz, Steve Wall

Introductions were made.

APPROVAL OF AGENDA

Commissioner Carter moved, seconded by Commissioner Lehrke, to approve agenda.

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

APPROVAL OF THE FEBRUARY 23, 2012 MINUTES

Commissioner Reinhardt moved, seconded by Commissioner Rettman, to approve the minutes.

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

SECTION A: POLICY

Processing Agreement with RRT

Zack Hansen stated that the current contract with RRT expires on December 31, 2012. RRT initiated negotiations for continued financial support for processing after 2012. They need this support because they will not be in an economic position at the end of 2012 to compete with landfills in order to secure waste delivery contracts.

The Counties' goal for processing, as stated in their newly revised Solid Waste Master Plans, remains to develop the Newport facility into a merchant facility, without County subsidy. Staff and consultants have determined that it is likely that there is a need for some type of an agreement between the Counties and RRT for at least a few years of additional hauler rebate support.

Commissioner Ortega arrived.

The Agreement includes these key elements:

- A five year term from 2013 – 2017
- A hauler rebate of \$20/ton for 2013 – 2015
- An evaluation of the market in 2015 to determine whether rebates should be reduced in 2016 and 2017, based on deliveries of Ramsey and Washington County waste.
- Alterations to the Counties' option to purchase, providing more specificity.

Commissioner Lehrke questioned RRT's profit. She also questioned that if the Counties owned the facility, what would the tip fee be without the subsidy.

Zack Hansen replied that years ago the Counties asked Foth to do a reverse financial analysis because when NRG was the owner, they would not let staff know what their profits were. The Counties revised that analysis when they entered in negotiations to show RRT what they thought their costs were. RRT claimed the numbers were not accurate and gave some general comments.

The estimate tip fee if the Counties were to own the facility, could be in the range of \$60 - \$70/ton range. Could government run it for cheaper than the private entity, staff is unsure.

Chris Gondeck, RRT, stated that all their financial information is confidential. Their profits are less than the \$20/ton subsidy. Without the subsidy, they would not be able to operate to the close of 2012.

Commissioner Reinhardt moved, seconded by Commissioner Carter, that the Ramsey/Washington County Resource Recovery Project Board hereby accepts the material terms and conditions for a Processing Agreement with a term of 2013 – 2017; directs staff to prepare an agreement, based on the material terms and conditions, with RRT for approval by the Ramsey and Washington County Boards; and directs staff to bring forward the Processing Agreement directly to the County Boards and recommends approval of that agreement.

Roll Call: Ayes – 6

Nays – 2

Motion Carried.

Commissioners Lehrke and Pulkrabek opposed.

Amendment to Agreement with Stoel Rives, LLC

Zack Hansen stated that Stoel Rives has significant expertise in waste, environmental and energy, and has been important in Project work related to RRT and policy development. Additional funding is needed for Stoel Rives legal assistance in an amount up to \$30,000, and funding for Stoel Rives to engage an appraisal firm to assist in working on the Option to Purchase provisions of the Processing Agreement.

Staff have been advised by outside counsel that it is in the Counties' interest to have a price established. There is an appraised value on the land and the structure from the Washington County Assessor's Office. But for the rolling stock, spare parts, and the equipment inside, staff does not know how to value that. The recommendation is to hire an appraiser to look at the facility who is familiar with this.

Once an agreement with RRT is in place and has the established purchase price, any capital improvements investments they make would be added to that subject to depreciation. If there is no agreement, it is an open market.

Commissioner Carter approved, seconded by Commissioner Ortega, that the Ramsey/Washington County Resource Recovery Project Board hereby authorizes the Chair of the Project Board to approve and execute an amendment to the Agreement with Stoel Rives, LLP, upon approval as to form by the County Attorney, in an amount not to exceed an additional \$30,000 for legal services, and an amount not to exceed \$50,000 to engage appraisal services, with a term from January 1, 2012 to December 31, 2012. The Project Board authorizes an adjustment to the 2012 Project Board budget as follows:

		From	to	Difference
Decrease Appropriations				
442306	Resource Recovery Facility Service Fee	\$3,500,000	\$3,420,000	(\$80,000)
Increase Appropriations				
421201	Legal Services	\$ 30,000	\$ 110,000	\$80,000
Roll Call:	Ayes – 4	Nays – 4	Motion Denied.	

Commissioners Kriesel, Lehrke, Pulkrabek, and Rettman opposed.

Joint Powers Agreement

Judy Hunter stated the Joint Powers Agreement will be expiring at the end of 2012. The JPA does provide that it will automatically renew for two five-year terms, unless the County gives written notice to cancel the JPA. The Project Board directed staff to work on outlining revisions for a Project Board discussion at its June meeting.

Organic Waste Management Update

Due to the length of the Project Board meeting, this item was tabled until the next meeting.

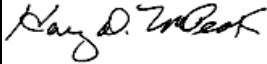
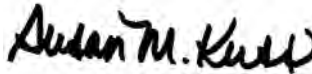
ADJOURNMENT

Chair Hegberg adjourned the meeting.

Approved:

Commissioner Dennis Hegberg, Chair

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>August 23, 2012</u>	DATE SUBMITTED: <u>August 15, 2013</u>
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	
2013 - 2015 Processing Agreement	
1. Memorandum with five attachments	
2. Resolution	
<u>BACKGROUND:</u>	
<p>At its March 29, 2012 meeting the Project Board accepted material terms and conditions for a new processing agreement with Resource Recovery Technologies (RRT), and directed staff to prepare the final agreement for County Board action. Following the Project Board action in March, staff prepared and sent a draft agreement to RRT on April 16, 2012. After meeting with several haulers, RRT contacted the Counties stating that they believed it would be difficult to contract with haulers for a tipping of \$66 per ton, and through a letter dated June 7, 2011, requested that negotiations be reopened. On June 11, 2012, the Executive Committee directed staff to reopen negotiations with RRT and provided specific direction. Staff and RRT have negotiated revised terms and conditions of a processing agreement with RRT, modified from the March 29, 2012 version.</p> <p>At the time of the mailing for the Project Board meeting, final language was not complete on the new Processing Agreement, but the parties are very close to completion. The revised terms and conditions are presented for Project Board consideration. If available before the Project Board meeting, the new Processing Agreement will be distributed under separate cover. The attached documents provide more detail.</p>	
<u>PROJECT BOARD ACTION REQUESTED:</u>	
1) Accept the revised Terms and Conditions for a 2013 - 2015 Processing Agreement; and 2) Recommend that the Ramsey and Washington County Boards approve a new 2013 - 2015 Processing Agreement based on the Terms and Conditions.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>	
The Counties would be responsible for paying a rebate to haulers that deliver County Waste to the Facility; the amount of the rebate in 2013-2015 is \$28 per ton, with the total annual amount in each year capped at \$8.4 million.	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
	<u>8/16/2012</u>
Ramsey County Attorney	Date
	
Washington County Attorney	<u>8/16/2012</u>
	Budgeting & Accounting Date

August 15, 2012

To: Ramsey/Washington County Resource Recovery Project Board
From: Joint Staff Committee
Re: Processing Agreement with Resource Recovery Technologies (RRT)

Action Requested

Staff request that the Project Board accept the revised Terms and Conditions of a 2013 – 2015 Processing Agreement and recommend that the Ramsey and Washington County Boards approve the Processing Agreement based on those Terms and Conditions.

Background

At its March 29, 2012 meeting the Resource Recovery Project Board accepted material terms and conditions for a new processing agreement with RRT, and directed staff to prepare the final agreement for County Board action. The terms and conditions included the following key elements:

- A five year term, from 2013 – 2017;
- An \$86 per ton tipping fee, with the Counties providing a \$20 per ton hauler rebate for 2013-2015, followed by an evaluation of the market in 2015 to determine if rebate should be reduced in 2016 and 2017; and
- A revised Option to Purchase for the Counties.

Following the Project Board action in March, staff prepared and sent a draft agreement to RRT on April 16, 2012. After meeting with several haulers, RRT contacted the Counties stating that they believed it would be difficult to contract with haulers for a tipping of \$66 per ton. After several phone conversations, RRT continued to back away from the agreed upon terms and conditions. Since staff did not have authority to reenter negotiations, staff requested a letter from RRT stating its position; RRT delivered a letter on June 7, 2012 requesting that negotiations be reopened. That letter is included as Attachment A.

RRT noted two reasons for the need to reopen negotiations. First, RRT cited the legislation that delayed enforcement of the processing mandate in Minnesota Statute Section 473.848, requiring MPCA to prepare a report to the legislature on its plans to enforce the processing mandate. Second, RRT stated that it had misjudged the out-of-state landfill market, and that the disposal market was not at \$66 per ton as they thought, but realized it is actually closer to \$53 per ton. RRT requested to increase the hauler rebate to \$28 per ton, said that it would reduce its tipping

fee from \$86 to \$84 per ton, and would cap the Counties' annual financial exposure at \$8.4 million. RRT noted that its proposal does not "improve the financial projections of RRT".

Based on RRT's claims about market price, staff and consultants from Foth made inquiries of a number of waste haulers to verify RRT's claims. From conversations with those haulers, it is clear that RRT misjudged the market, and the market would not support a tipping fee of \$66 per ton.

Staff presented the RRT letter to the Project Board Executive Committee at its June 11, 2012 meeting. The Committee reiterated that the Counties' primary interest in continuing to work on waste processing is the environmental goal to recover energy and materials from waste, and that it is very difficult to accomplish in the current market. They expressed concern about RRT's knowledge of the market and interactions with haulers. They also talked about some Commissioners' renewed interest in purchasing the facility.

The Executive Committee directed staff to reopen negotiations with RRT and provided direction, which included:

- The contract should not exceed \$8.4 million per year;
- The hauler rebate should be a fixed amount, and it should not vary from hauler to hauler, and should be explicitly stated in the agreement;
- Retain and strengthen, if possible, the Option to Purchase language from the March 29, 2012 terms and conditions.
- Staff should strongly consider a cap and floor on tonnages; and
- Contract should be up to five years, with consideration for a shorter term.

Through numerous meetings and discussions in the last three months, staff and RRT have reached agreement on revised terms and conditions for a new processing agreement. A processing agreement is nearly complete.

The proposed Processing Agreement meets the criteria established by the Executive Committee. The Agreement also contains a realistic opportunity for the Counties to purchase the facility. The Agreement:

- Three year term, 2013-2015
- Hauler rebate of \$28 per ton,
- Caps the Counties annual costs at \$8.4 million,
- Establishes a minimum tonnage guarantee that RRT has to meet, and
- Creates a workable option to purchase for the Counties, and a process to establish a purchase price.

Overview of Revised Terms and Conditions

Staff worked with RRT to revise the terms and conditions that had been previously accepted by the Project Board on March 29, 2012. Redlined versions of the Terms and Conditions from the March version are included in Attachment B and Attachment D is the final revised Terms and Conditions.

The revised Terms and Conditions for a 2013 - 2015 Processing Agreement includes these key elements (see Attachment D for details)

- A three-year term, from January 1, 2013 – December 31, 2015.
- A hauler rebate of \$28/ton for the term.
- The total annual rebate amount for the Counties is capped at \$8.4 million. That is the equivalent of 300,000 tons per year at \$28 per ton. If the Counties pay rebates over that amount in a calendar year, because more than 300,000 tons are delivered, RRT will reimburse the Counties for payment of rebates above that amount.
- RRT will guarantee receipt of specific tonnages each year. The penalty for RRT failing to receive the guaranteed tonnages (275,000 tons in 2013; 300,000 tons in each 2014 and 2015) is an Event of Default.
- Includes an option for the Counties to purchase the Facility. Under the option to purchase the Counties have the following exclusive option to purchase in two scenarios:
 - 1) If RRT decides to sell, decides to stop using the Facility to process waste and/or produce RDF, or defaults, the Counties can exercise their option.
 - 2) After January 1, 2015 the Counties have an exclusive option to purchase during calendar year 2015; if this occurs the Counties would take possession on December 31, 2015.
 - If the Counties exercise this option, RRT has the right to reject the purchase within 30 days of receiving notice.
 - If RRT rejects the purchase, the Agreement automatically extends two years, with no obligation by the Counties to pay a rebate during the extended term, and the Counties have a right of first refusal to match any sale price during the extended term.
 - 3) The price the counties would pay for the Facility will be established at the beginning of the Agreement. This is an important step, so that the Counties will know what the cost is before they would decide to buy the facility. The process to establish a purchase price:
 - Begins upon execution of the agreement in 2012.
 - The Agreement provides that the purchase price be based *only* on a) the value of the land and buildings comprising the Facility plus b) the value of the Facility's machinery and equipment, rolling stock including transfer trailers and mobile equipment such as loaders and yard tractors, plus c) the value of all existing spare parts and tools inventory, plus d) the value of all office furniture and computer equipment and software, plus e) RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs.
 - Any calculation for determining the value of the Facility assumes a value of zero (\$0) dollars for any rebates provided by the Counties. This is an important concept; in that the Counties would not want to pay for the value of the business that they create, that is, pay twice for the same result.
 - The Process to establish the price has two parts:
 - Good faith negotiations from the time of execution of the Agreement through March 31, 2013.

- Should the parties not agree on a price through negotiation, then they would enter binding arbitration, at the Counties sole discretion, with a decision by December 31, 2013.

Consequences of Moving forward with an Agreement

The Agreement with RRT assures that processing a portion of County waste will continue for at least three years. This Agreement provides some continued stability in the East-Metro solid waste market, and continues to assure that the Counties environmental goals, as outlined in their respective Master Plans, are met.

Under this agreement the Facility in Newport will continue to operate as a private venture, as it has since 1987. RRT will be responsible for the business risks inherent in this industry, including a guarantee that delivery of a minimum amount of waste will occur. Beside the Agreement with the Counties, RRT will have agreements with Xcel Energy for RDF combustion, with landfills for residue disposal, with one or more labor unions for employees, and with waste haulers for waste delivery.

During this three year term the Counties will have time to analyze how to continue processing waste, whether through continued contracts with the private owner of the facility, or by purchasing the facility. This is a complicated analysis, and will take 1-2 years to complete.

There are important business reasons to establish a purchase price for the Facility, and an important step in that is for the Counties to secure an appraisal of the value of Facility before entering into negotiations. A separate Board action is on the agenda for August 23rd to retain a qualified appraiser to secure that information. Without an appraiser, the Counties would be blindly entering negotiations to establish the purchase price.

Financial Projections

Attachment C includes financial information that outlines the cost of the Processing Agreement to the Counties. The table includes the history of County payments for processing, through the Processing Payment and Hauler Rebate, since 2007. It also includes projected payments for the hauler rebate going forward under a two waste delivery scenarios for Ramsey and Washington County waste: 300,000 tons per year and 420,000 tons per year. It also shows the individual County contributions that would result in those scenarios.

The 2012 budget for the cost of processing is \$8.4 million. That means that the budgeted cost of waste processing will remain level for years 2013 – 2015. Importantly, the proposed Processing Agreement maintains that budgeted amount as a maximum payment for three years, which does not require an increased amount in budgeted County contributions for waste processing.

Attachments

- Attachment A: June 7, 2012 letter from RRT.
- Attachment B: Redlined version of the 3/29/2012 Terms and Conditions.
- Attachment C: Financial Considerations.
- Attachment D: proposed revised Terms and Conditions for a 2013 – 2015 Processing Agreement.

Attachment C: Financial Consideration Associated with Processing Agreement

2007 - 2012 Resource Recovery County Contributions							
	2007	2008	2009	2010	2011	2012 Est.	Total
Processing Payment	\$13,035,320	\$12,997,665	\$10,445,828	\$6,054,058	\$4,547,840	\$3,500,000	\$50,580,711
Hauler Rebate	\$3,765,806	\$3,853,896	\$3,800,939	\$3,521,145	\$4,369,554	\$4,900,000	\$24,211,340
Total	\$16,803,133	\$16,851,561	\$14,246,767	\$9,575,203	\$8,917,394	\$8,400,000	\$74,792,051

Notes: Based on actual costs 2007-2011 and 2012 projected using 350,000 county tons delivered.

2013 - 2015 Projected Resource Recovery Payments for Processing Waste at 300,000 tons delivered						
	2013	2014	2015	2016	2017	Total
Hauler Rebate	\$8,400,000	\$8,400,000	\$8,400,000	0	0	\$25,200,000

Notes: Hauler Rebate of \$24 per ton; assumes 300,000 tons of waste delivered each year

2013 - 2017 Projected Resource Recovery Payments for Processing Waste - 300,000 tons						
	2013	2014	2015	2016	2017	Total
Ramsey County	\$6,132,000	\$6,132,000	\$6,132,000	\$0	\$0	\$18,396,000
Washington County	\$2,268,000	\$2,268,000	\$2,268,000	\$0	\$0	\$6,804,000

Notes: Ramsey County 73%, Washington County 27%, pursuant to the Joint Powers Agreement

2013 - 2017 Projected Resource Recovery Payments for Processing Waste at 420,000 County tons						
	2013	2014	2015	2016	2017	Total
Hauler Rebate	\$8,400,000	\$8,400,000	\$8,400,000	\$0	\$0	\$25,200,000

Notes: Hauler Rebate of \$28 per ton 2013 – 2015; Counties would pay rebate totals of 11,760,000, but would receive payments from RRT in the amount of \$3,360,000, making the net cost the amount shown.

2013 - 2017 Projected Resource Recovery Payments for Processing Waste - 420,000 tons						
	2013	2014	2015	2016	2017	Total
Ramsey County	\$6,132,000	\$6,132,000	\$6,132,000	\$0	\$0	\$18,396,000
Washington County	\$2,268,000	\$2,268,000	\$2,268,000	\$0	\$0	\$6,804,000

Notes: Ramsey County 73%, Washington County 27%, pursuant to the Joint Powers Agreement

Attachment A



June 7, 2012

Ms. Judy Hunter
Senior Program Manager
Department of Public Health & Environment
Service Center – Cottage Grove
13000 Ravine Parkway
Cottage Grove, Minnesota 55106

Mr. Zachary Hansen
Environmental Health Director
Environmental Health Section
2785 White Bear Avenue North, Suite 350
Maplewood, MN 55109-1320

Re: Resource Recovery Hauler Rebate Program

Dear Ms. Hunter and Mr. Hansen,

On September 22, 2011, at the invitation of the Ramsey Washington County Resource Recovery Project Board, RRT presented its proposal to continue waste to energy processing at the Newport facility upon the expiration of the present contracts in December, 2012. In that presentation, RRT provided the attached Exhibit A showing reduction in county support payments since 2007 and affirmed its commitment to work toward achieving a “market approach” and thereby eliminate the necessity of Ramsey/Washington financial support for processing at Newport. However, as was noted in the presentation, the reality of a market approach requires that the economics of processing be roughly equal with alternative disposal methods. For Newport, this means net tip fees at Newport must be competitive with those charged by applicable landfills, most notably the fees in place at Waste Management’s Burnsville landfill.

The discussion then turned to the efforts being undertaken by the MPCA to enforce Minn. Stat. §473.848 as a means to ensure metro waste processing facilities be utilized at their respective full capacities. It was noted that a hoped-for impact of such enforcement would be seen in elevating metro landfill tip fees and thereby further narrowing the market approach “gap” between processing and landfill. It was also noted that the “ceiling” on metro landfill tip fees, *irrespective of whether §473.848 is enforced*, is the all-in costs (transportation/tip fee/tax) of out-of-state landfills such as the Veolia facility in Eau Claire. The conclusion was that this ceiling should be approximately \$66/ton, resulting in a \$20 gap between that amount and the \$86/ton tip fee required for

processing to be economically viable at Newport. Accordingly, RRT requested the Project Board consider providing financial support of \$20/ton for up to 420,000 tons of MSW delivered to Newport beginning in 2013 (under the assumption that Newport requires approximately 420,000 tons of MSW to produce the 370,000 tons of RDF required by the two Xcel burn plants) for an aggregate economic support commitment of up to \$8.4mm annually. The Project Board approved this \$20 per ton/420,000 tons proposal on March 29.

Since that approval was given, there have been two notable developments. First, at the close of the 2012 legislative session in May, metro haulers led by Waste Management were successful in inserting a requirement that any enforcement of §473.848 would not begin until February 15, 2013 (i.e. after the expiration of the hauler delivery agreements presently in place at Newport). Second, after meeting over the past several months with many of the haulers operating in Ramsey/Washington counties (including multiple meetings with both of the metro landfill owners, Waste Management and Republic), it is now apparent that RRT misjudged the out-of-state market and that this alternative is approximately \$53 per ton rather than the \$66 as previously believed.

In light of these two developments, RRT is requesting a number of changes to the structure of the hauler rebate program previously approved by the Ramsey Washington Resource Recovery Project Board:

1. Instead of the \$20/ton rebate amount, the actual hauler rebate will be calculated by taking the difference in the net rates offered to haulers as documented in the signed hauler contracts and the \$86 tip fee in place at Newport.
2. The hauler rebate exposure for Ramsey and Washington counties will be capped at \$8.4 million annually. Should the hauler rebates exceed \$8.4 million in any calendar year, RRT will reimburse the counties for the amount paid by the counties to haulers in excess of \$8.4 million so that the hauler rebate can be fairly distributed to all haulers participating in the program during the year (i.e. haulers get paid on all Ramsey /Washington delivered).

It is important to emphasize that the proposed changes in the hauler rebate program as outlined above do not improve the financial projections of RRT. Rather, it is a proposal to react to current market conditions to insure processing can continue in 2013 and thereafter. It is also important to note that, even if the full \$8.4 million is paid to the haulers in the form of hauler rebates in 2013 and thereafter, it is still \$400,000 less than the total subsidy paid out by the Ramsey and Washington counties in 2011.

In our discussions with Ramsey/Washington haulers, most if not all have stated that they support waste processing and even prefer to tip at Newport *provided there is parity in the marketplace*, meaning the price is competitive and that all haulers agree to an “all waste” contract. RRT firmly believes that, with the rebate program refined as set forth above, it will be successful in executing contracts with all of the haulers operating in Ramsey and

Washington counties and thus ensure the continuation of waste processing at Newport through 2017.

Please don't hesitate to contact me should you have any questions or comments regarding the foregoing.

Respectfully,

A handwritten signature in cursive script, appearing to read "Chris".

Chris Gondeck

*Resource Recovery Technologies
Total Subsidies Paid by Ramsey-Washington Counties
2007-2011*

Schedule A

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	2012
Inbound MSW by Source						
Ramsey-Washington	325,144	325,115	316,550	302,703	303,188	
County Subsidy to RRT per Ton	\$ 40	\$ 40	\$ 33	\$ 20	\$ 15	\$ 10
County Subsidy to Hauler per Ton	12	12	12	12	14	14
Total County Subsidy per Ton	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 45</u>	<u>\$ 32</u>	<u>\$ 29</u>	<u>\$ 24</u>
Total County Subsidy to RRT	\$13,005,760	\$13,004,600	\$10,446,150	\$ 6,054,060	\$ 4,547,820	
Total County Subsidy to Haulers	3,901,728	3,901,380	3,798,600	3,632,436	4,244,632	
Total County Subsidy	<u>\$16,907,488</u>	<u>\$16,905,980</u>	<u>\$14,244,750</u>	<u>\$ 9,686,496</u>	<u>\$ 8,792,452</u>	

Resource Recovery Technologies
Total Subsidies Paid by Ramsey-Washington Counties
2007-2011

Schedule A

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	2012
Inbound MSW by Source						
Ramsey-Washington	325,144	325,115	316,550	302,703	303,188	
County Subsidy to RRT per Ton	\$ 40	\$ 40	\$ 33	\$ 20	\$ 15	\$ 10
County Subsidy to Hauler per Ton	12	12	12	12	14	14
Total County Subsidy per Ton	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 45</u>	<u>\$ 32</u>	<u>\$ 29</u>	<u>\$ 24</u>
Total County Subsidy to RRT	\$13,005,760	\$13,004,600	\$10,446,150	\$ 6,054,060	\$ 4,547,820	
Total County Subsidy to Haulers	3,901,728	3,901,380	3,798,600	3,632,436	4,244,632	
Total County Subsidy	<u>\$16,907,488</u>	<u>\$16,905,980</u>	<u>\$14,244,750</u>	<u>\$ 9,686,496</u>	<u>\$ 8,792,452</u>	

Attachment B

Ramsey-Washington Resource Recovery Project Key Term Summary March 2012-August 15, 2012

The Counties' goal is that the Newport refuse-derived fuel processing facility (Facility) evolve into a merchant facility, without reliance on any County subsidies. However, the Counties have determined that it is likely that there is a need for a "bridge" agreement between the Counties and RRT for at least a few years of additional County support in the form of a hauler rebate.

This is a service agreement between R/W Counties and RRT; the Counties are purchasing waste processing services on behalf of waste generators to accomplish the Solid Waste Master Plan policies of the Counties.

Key Terms:

1. **New Agreement:** This will be a new Agreement to replace the existing agreement, with many of the key provisions related to obligations and guarantees remaining.
2. **Term:** ~~Most provisions would be five years: 1/1/13 through 12/31/17.~~ A three year term, from January 1, 2013 through December 31, 2015. However, the process to establish an option purchase price for the facility would begin after execution in 2012 and would be completed by ~~12/31/12~~ December 31, 2013.
3. **Use of Facility:** RRT will continue to use the Facility for solid waste processing and RDF production. RRT will continue to be free to accept waste from other counties (Non-County Waste) at any tipping fee, but would have to give priority to Ramsey & Washington County waste.
4. **Waste Procurement:** RRT will continue to contract with Ramsey and Washington County waste haulers to assure waste supply. For calendar year 2013 RRT will guarantee delivery of at least 275,000 tons of County Waste. For calendar years 2014 and 2015 RRT will guarantee delivery of at least 300,000 tons of County Waste. RRT will provide contracts for County Waste prior to the beginning of each calendar year, with an estimate showing expected waste deliveries. The penalty for not receiving the guaranteed tonnage will be an Event of Default under the Agreement.
5. **Hauler Access:** All waste haulers that serve the Counties will continue to be assured of Facility access.
6. **Tipping Fee:** RRT will continue to be responsible to establish and collect the tipping fees.
7. **Public Entity Waste:** Ramsey/Washington Counties Public Entity waste has to be accepted at the lowest price offered at the Facility.

8. **Landfill Contract:** RRT will be responsible for contracting for landfill capacity for residue and rejects.
9. **Public Access to Facility:** The facility must be available to residents of Ramsey and Washington Counties.
10. **Hauler Rebate Programs.** The Counties will continue to offer throughout the Term a Licensed Hauler rebate program that pays Licensed Haulers a processing rebate for each Ton of County Waste accepted at the Facility or any Alternative Facility Collection Point, as follows:

	2013	2014	2015	2016	2017
Counties' Processing Rebate per Ton of County Waste to Licensed Haulers	\$ 20 28.00	\$ 20 28.00	\$ 20 28.00	To Be Determined in 2015	To Be Determined in 2015

The Counties will pay the processing rebate directly to the Licensed Haulers. The obligation of the Counties to pay Licensed Haulers the processing rebate for use of the Facility shall be limited to \$8,400,000 per calendar year. In the event the Counties payment of the processing rebate for the Facility is greater than \$8,400,000 for a calendar year, RRT shall reimburse the Counties for such overage no later than February 1 of the subsequent year.

~~The status of the rebate for 2016 and 2017 will be determined as follows:~~

- ~~A. If, by October 1, 2015, RRT has contracted for annual delivery of a total of 337,500 tons of County Waste, then the Counties will provide a Hauler rebate of nineteen Dollars (\$19.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.~~
- ~~B. Should RRT not have a total of 337,500 tons of County Waste under contract, but have received 337,500 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of nineteen Dollars (\$19.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.~~
- ~~C. Should RRT not have a total of 350,000 tons of County Waste under contract, but have received 350,000 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of eighteen Dollars (\$18.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.~~
- ~~D. Should RRT not have a total of 350,000 tons of County Waste under contract, but have received 350,000 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of eighteen Dollars (\$18.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.~~

- ~~E. If, by October 15, 2015, RRT does not have a total of 337,500 tons of County Waste under contract, or should RRT not receive a total of 337,500 tons of County Waste during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of (twenty Dollars) \$20.00 per ton for delivery of County Waste to the facility in 2016 and 2017.~~
11. **Dakota County:** If Dakota County pays RRT for MSW processing or creates a hauler rebate program, RRT will provide a payment to the Counties, calculated on annual quarterly basis, but only if this payment or hauler rebate is an incremental revenue benefit to RRT.
12. **Performance by the Vendor: Fuel Production and Fuel Use:** There would continue to be two processing efficiency standards: 85% of waste delivered must be processed; and 85% of waste processed must be recovered as metal or RDF.
13. **Organics Transfer:** RRT will use its best effort to provide a transfer station available to organic waste haulers for organic waste collected from Ramsey and Washington Counties. The Counties are not obliged to work solely with RRT on organics transfer capacity.
14. **Counties Option to Purchase:**
- A. The Counties will continue to have an exclusive option to purchase the Facility, equipment, transfer trailers, contracts and other related assets if at any time during the Term RRT:
1. decides to sell the Facility;
 2. decides to cease using the Facility for waste processing and/or RDF production; or
 3. defaults.

In the event the Counties exercise the option, the price for the Facility shall be as determined pursuant to Section 14.D, below.

- B. Beginning January 1, ~~2016~~2015, the Counties will have an unconditional exclusive option to purchase that could be exercised at any time during calendar year 2015~~thereafter during the Term.~~ If the Counties give notice to exercise the option, the transfer occurs within 180 days after notice of exercise of the option. If the Counties exercise the option on or before June 30, 2015, the transfer will occur on December 31, 2015. If the Counties exercise the option on or after July 1, 2015, the transfer will occur 180 days after the Counties provide written notice of the exercise of option to RRT. In the event the Counties exercise the option, RRT will have the right to reject purchase of the Facility by the Counties within 30 days of receiving notice of the option exercise by the Counties. In the event RRT rejects the purchase by the Counties, the Agreement will automatically extend for an additional two (2) years, through December 31, 2017, with the modification that the Counties will no longer be obligated to provide any hauler rebates beginning January 1, 2016.

- C. Hauler delivery agreements, the Xcel RDF Agreement, Landfill Agreements and other key agreements shall be assignable to the Counties in the event of transfer of the Facility to the Counties.
- D. The Agreement will provide a process to establish the Facility purchase price:
1. The purchase price for both good faith negotiations (part 3.b., below) and arbitration (part 3.c., below) will be comprised solely of: a) the assessed value of the land and buildings comprising the Facility, plus as determined by the Washington County Assessor; b) the value of the processing and material handling equipment, rolling stock, including transfer trailers and mobile equipment such as loaders and yard tractors, plus c) the value of all existing spare parts and tools inventory, ~~plus~~ d) the value of all office furniture and computer equipment and software, plus) ~~and d)~~ RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs. Any calculation for determining the value of the Facility shall assume a value of zero dollars (\$0.00) for any rebates provided by the Counties.
 - ~~1. In any event, the total purchase price encompassing items a, b, and c, in D.1. above, shall not exceed the \$16.8 million price that RRT has put forward. RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs would be in addition to the provided price. This applies to the purchase price that would result from good faith negotiations pursuant to part 3.b. below.~~
 2. Because a purchase price has not been agreed to at this time, and because the core of the agreement between RRT and the Counties becomes effective on ~~1/1/January 1,~~ 2013, a process for establishing the purchase price during beginning in 2012 is agreed to include, as a condition to the remainder of the agreement becoming effective, and prior to 1/1/2013:
 - a. RRT will provide full access to the facility to the Counties' agents for an appraisal.
 - b. The Counties and RRT will negotiate in good faith to arrive at a purchase price to include in the agreement by ~~July~~ March 31, 2012~~2013~~.
 - c. Should RRT and the Counties not arrive at a negotiated purchase price by ~~July 31, 2012~~March 31, 2013 the parties will enter into binding arbitration, at the sole discretion of the Counties, to establish a price by ~~12/31/December 31, 2012~~2013.
 3. The establishment of a purchase price either through negotiation or arbitration does not commit the Counties to purchasing the Facility but is only a step in the determination of whether the Counties wish to exercise the option to purchase.

E. If the Counties exercise their option in 2015, and RRT rejects the option, the Counties shall continue to have an option to purchase pursuant to 14.A, above, through the extended term. However, beginning January 1, 2016, the option in the event of a sale shall convert to a Right of First Refusal to match any third party offer to purchase the Facility, with such Right of First Refusal to exist during the final two years of the Agreement through December 31, 2017.

Ramsey-Washington Resource Recovery Project

Key Term Summary

(Final August 15, 2012).....Cwcej o gpvF

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The Counties’ goal is that the Newport refuse-derived fuel processing facility (Facility) evolve into a merchant facility, without reliance on any County subsidies. However, the Counties have determined that it is likely that there is a need for a “bridge” agreement between the Counties and RRT for at least a few years of additional County support in the form of a hauler rebate.

This is a service agreement between R/W Counties and RRT; the Counties are purchasing waste processing services on behalf of waste generators to accomplish the Solid Waste Master Plan policies of the Counties.

Key Terms:

1. **New Agreement:** This will be a new Agreement to replace the existing agreement, with many of the key provisions related to obligations and guarantees remaining.
2. **Term:** A three year term, from January 1, 2013 through December 31, 2015. However, the process to establish an option purchase price for the facility would begin after execution in 2012 and would be completed by December 31, 2013.
3. **Use of Facility:** RRT will continue to use the Facility for solid waste processing and RDF production. RRT will continue to be free to accept waste from other counties (Non-County Waste) at any tipping fee, but would have to give priority to Ramsey & Washington County waste.
4. **Waste Procurement:** RRT will continue to contract with Ramsey and Washington County waste haulers to assure waste supply. For calendar year 2013 RRT will guarantee delivery of at least 275,000 tons of County Waste. For calendar years 2014 and 2015 RRT will guarantee delivery of at least 300,000 tons of County Waste. RRT will provide contracts for County Waste prior to the beginning of each calendar year, with an estimate showing expected waste deliveries. The penalty for not receiving the guaranteed tonnage will be an Event of Default under the Agreement.
5. **Hauler Access:** All waste haulers that serve the Counties will continue to be assured of Facility access.
6. **Tipping Fee:** RRT will continue to be responsible to establish and collect the tipping fees.
7. **Public Entity Waste:** Ramsey/Washington Counties Public Entity waste has to be accepted at the lowest price offered at the Facility.

8. **Landfill Contract:** RRT will be responsible for contracting for landfill capacity for residue and rejects.
9. **Public Access to Facility:** The facility must be available to residents of Ramsey and Washington Counties.
10. **Hauler Rebate Programs.** The Counties will continue to offer throughout the Term a Licensed Hauler rebate program that pays Licensed Haulers a processing rebate for each Ton of County Waste accepted at the Facility or any Alternative Facility Collection Point, as follows:

	2013	2014	2015
Counties' Processing Rebate per Ton of County Waste to Licensed Haulers	\$28.00	\$28.00	\$28.00

The Counties will pay the processing rebate directly to the Licensed Haulers. The obligation of the Counties to pay Licensed Haulers the processing rebate for use of the Facility shall be limited to \$8,400,000 per calendar year. In the event the Counties payment of the processing rebate for the Facility is greater than \$8,400,000 for a calendar year, RRT shall reimburse the Counties for such overage no later than February 1 of the subsequent year.

11. **Dakota County:** If Dakota County pays RRT for MSW processing or creates a hauler rebate program, RRT will provide a payment to the Counties, calculated on annual quarterly basis, but only if this payment or hauler rebate is an incremental revenue benefit to RRT.
12. **Performance by the Vendor: Fuel Production and Fuel Use:** There would continue to be two processing efficiency standards: 85% of waste delivered must be processed; and 85% of waste processed must be recovered as metal or RDF.
13. **Organics Transfer:** RRT will use its best effort to provide a transfer station available to organic waste haulers for organic waste collected from Ramsey and Washington Counties. The Counties are not obliged to work solely with RRT on organics transfer capacity.
14. **Counties Option to Purchase:**
 - A. The Counties will continue to have an exclusive option to purchase the Facility, equipment, transfer trailers, contracts and other related assets if at any time during the Term RRT:
 1. decides to sell the Facility;

2. decides to cease using the Facility for waste processing and/or RDF production; or
3. defaults.

In the event the Counties exercise the option, the price for the Facility shall be as determined pursuant to Section 14.D, below.

- B. Beginning January 1, 2015, the Counties will have an unconditional exclusive option to purchase that could be exercised at any time during calendar year 2015. If the Counties exercise the option on or before June 30, 2015, the transfer will occur on December 31, 2015. If the Counties exercise the option on or after July 1, 2015, the transfer will occur 180 days after the Counties provide written notice of the exercise of option to RRT. In the event the Counties exercise the option, RRT will have the right to reject purchase of the Facility by the Counties within 30 days of receiving notice of the option exercise by the Counties. In the event RRT rejects the purchase by the Counties, the Agreement will automatically extend for an additional two (2) years, through December 31, 2017, with the modification that the Counties will no longer be obligated to provide any hauler rebates beginning January 1, 2016.
- C. Hauler delivery agreements, the Xcel RDF Agreement, Landfill Agreements and other key agreements shall be assignable to the Counties in the event of transfer of the Facility to the Counties.
- D. The Agreement will provide a process to establish the Facility purchase price:
 1. The purchase price for both good faith negotiations (part 3.b., below) and arbitration (part 3.c., below) will be comprised solely of: a) the value of the land and buildings comprising the Facility, plus b) the value of the Facility's machinery and equipment, rolling stock including transfer trailers and mobile equipment such as loaders and yard tractors, plus c) the value of all existing spare parts and tools inventory, plus d) the value of all office furniture and computer equipment and software, plus e) RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs. Any calculation for determining the value of the Facility shall assume a value of zero dollars (\$0.00) for any rebates provided by the Counties.
 2. Because a purchase price has not been agreed to at this time, and because the core of the agreement between RRT and the Counties becomes effective on January 1, 2013, a process for establishing the purchase price beginning in 2012 is agreed to include:
 - a. RRT will provide full access to the facility to the Counties' agents for an appraisal.

- b. The Counties and RRT will negotiate in good faith to arrive at a purchase price to include in the agreement by March 31, 2013.
 - c. Should RRT and the Counties not arrive at a negotiated purchase price by March 31, 2013 the parties will enter into binding arbitration, at the sole discretion of the Counties, to establish a price by December 31, 2013.
3. The establishment of a purchase price either through negotiation or arbitration does not commit the Counties to purchasing the Facility but is only a step in the determination of whether the Counties wish to exercise the option to purchase.
- E. If the Counties exercise their option in 2015, and RRT rejects the option, the Counties shall continue to have an option to purchase pursuant to 14.A, above, through the extended term. However, beginning January 1, 2016, the option in the event of a sale shall convert to a Right of First Refusal to match any third party offer to purchase the Facility, with such Right of First Refusal to exist during the final two years of the Agreement through December 31, 2017.

72125107.4

RESOLUTION 2012-RR-

WHEREAS, Ramsey and Washington Counties have committed to continue to protect and ensure the public health, safety, welfare and environment of each County's residents and businesses through sound management of solid and hazardous waste generated in the County; and

WHEREAS, it is the stated policy of the State of Minnesota, under the Waste Management Act of 1980, to manage solid waste in an environmentally sound manner; and

WHEREAS, Ramsey and Washington Counties and have approved County Solid Waste Master Plans; and

WHEREAS, since 1982 Ramsey and Washington Counties, have implemented a joint program for researching, developing, and implementing both the "Ramsey/ Washington Waste-to-Energy Project" and the "Ramsey/Washington County Resource Recovery Project" (the "Project"), and have a joint powers agreement for the period of 2007-2012, with a renewal clause, to work together on waste processing; and

WHEREAS, Ramsey and Washington Counties ("Counties") are parties to a Processing Agreement, with a term through December 31, 2012, with Resource Recovery Technologies (RRT), which owns and operates the Ramsey/Washington County Resource Recovery Facility ("Facility") in Newport, Minnesota; and

WHEREAS, The Resource Recovery Project Board accepted Terms and Conditions agreed to by RRT on March 29, 2012 (Resolution 2012 – RR- 1) for a processing agreement beginning in 2013; and

WHEREAS, RRT subsequently requested, in writing, to re-open negotiations due to market conditions, and the Resource Recovery Project Executive Committee authorized staff to negotiate further with RRT; and

WHEREAS, staff, consultants and attorneys have had further discussions with RRT to develop a new agreement for processing after the expiration of the current Processing Agreement and the result of those discussions have prepared revised Terms and Conditions for a new Processing Agreement for 2013 – 2015; and

WHEREAS, RRT has agreed to the revised Terms and Conditions for a new Processing Agreement and has written a letter to that effect.

NOW THEREFORE, BE IT RESOLVED, The Ramsey/Washington County Resource Recovery Project Board hereby accepts the revised Terms and Conditions for a Processing Agreement between Ramsey and Washington Counties and Resource Recovery Technologies, with a term of 2013 – 2015.

BE IT FURTHER RESOLVED, The Project Board recommends that the Ramsey and Washington County Boards approve and execute the Processing Agreement with RRT based on the revised Terms and Conditions.

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>August 23, 2013</u>	DATE SUBMITTED: <u>August 16, 2013</u>
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	Amendment #8 to Agreement with Stoel Rives 1. Resolution 2. Amendment
<u>BACKGROUND:</u> The Resource Recovery Project has retained the firm of Stoel Rives LLP for consulting services on policy and legal matters. Stoel Rives has significant expertise in waste, environmental and energy law, and has been important in Project work related to RRT and policy development. Stoel Rives is under contract to the Project for \$40,000 for legal services in 2012. The Counties have needed significant assistance from Stoel Rives in part due to the delays caused by RRT on the development of a waste processing agreement, and will continue to need additional outside legal assistance as the parties complete the agreement. The 2012 contract amount has been exhausted. Staff propose an amendment to the Stoel Rives agreement in an amount up to \$60,000, increasing the contract maximum for 2012 to \$100,000.	
<u>PROJECT BOARD ACTION REQUESTED:</u> Authorize the Chair of the Project Board to execute Amendment #8 to the Agreement for Professional Services with Stoel Rives, LLP, in an amount not to exceed \$60,000 for legal services increasing the contract maximum for 2012 to \$100,000.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> The cost of the amendment is an amount not to exceed \$60,000. Funds are available within the Project Budget that can be transferred for this expense, within the line item for waste processing.	
<u>ADMINISTRATIVE COMMENTS:</u> 	
<u>REVIEWED BY:</u>	
<u>Kary D. Tolbert</u>	<u>8/16/2012</u>
Ramsey County Attorney	Date
<u>Audon M. Kull</u>	<u>8/16/2012</u>
Washington County Attorney	Date
Budgeting & Accounting	Date

Resolution 2012-RR-_____

WHEREAS, Ramsey and Washington (the “Counties”) desire to continue to benefit, protect and ensure the public health, safety, welfare and environment of the Counties’ residents and businesses through sound management of solid waste generated in the Counties; and

WHEREAS, the Counties have entered into a Joint Powers Agreement that creates the Ramsey/Washington County Resource Recovery Project (the Project) for the purpose of administering the Counties rights and obligations under the Processing Agreement with RRT (“Processing Agreement”) and overseeing other joint solid waste activities; and

WHEREAS, the Project had contracted with the firm of Stoel Rives LLP to provide consulting and legal services associated with waste processing in 2012 in an amount not to exceed \$40,000; and

WHEREAS, a number of legal and policy issues have arisen related to the Processing Agreement, among others the Counties option to purchase, that were not anticipated and not included in the original Project budget; and

WHEREAS, the Project requires additional legal and other consulting services related to the Processing Agreement and Stoel Rives LLP can provide those services; and

WHEREAS, the 2012 Resource Recovery Project Budget has funds available that can be adjusted to pay for these additional services.

NOW, THEREFORE, BE IT RESOLVED the Ramsey/Washington County Resource Recovery Project Board hereby authorizes the Chair of the Project Board to approve and execute an amendment to the Agreement with Stoel Rives LLP, upon approval as to form by the County Attorney, to increase the contract maximum for the period January 1, 2012, to December 31, 2012, to \$100,000.

BE IT FURTHER RESOLVED, The Project Board authorizes an adjustment to the 2012 Project Board budget as follows:

	<u>From</u>	<u>To</u>	<u>Difference</u>
<u>Decrease Appropriations</u>			
4422306 Resource Recovery Facility Service Fee	\$3,500,000	\$3,440,000	(\$60,000)
<u>Increase Appropriations</u>			
421201 Legal Services	\$ 40,000	\$ 100,000	\$60,000

Commissioner Dennis Hegberg, Chair

August 23, 2012

Amendment # 8 to Agreement for Professional Services with Stoel Rives, LLP

This is the eighth amendment to the professional services contract ("Contract") between the Ramsey/Washington Counties Resource Recovery Project and Stoel Rives, LLP ("Contractor") dated May 26, 2006.

1. Section 3 a., Cost/Payment, is amended by the addition of the following :
2. "Notwithstanding any other provision of this Contract, as amended, the Contractor will be compensated for services provided from January 1, 2012, to December 31, 2012, at the rates set forth in Exhibit B in an amount not to exceed \$100,000."
Except as expressly modified herein the Contract, as amended, remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement.

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT

By: _____
Project Board Chair Date

Funds Available:

Audran M. Kull
By: _____ 8/16/2012
Ramsey County Budgeting & Accounting Date

Approved as to Form and Insurance:

Ray D. Inbeck
By: _____ 8/16/2012
Ramsey Assistant County Attorney Date

Approved as to Form:

By: _____
Washington Assistant County Attorney Date

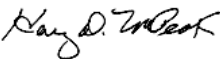

Recommended By:

By: _____
Lead Member, Joint Staff Committee Date

Stoel Rives LLP:

By: _____
Partner

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>August 23, 2013</u>		DATE SUBMITTED: <u>August 16, 2013</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Agreement with Stoel Rives for Appraisal Services 1. Resolution	
<u>BACKGROUND:</u> The Resource Recovery Project has retained the firm of Stoel Rives LLP for consulting services on policy and legal matters. Stoel Rives has significant expertise in waste, environmental and energy law, and has been important in Project work related to Resource Recovery Technologies (RRT) and policy development. Stoel Rives has provided significant assistance in the discussions with RRT for waste processing. The proposed Processing Agreement includes a provision to establish a purchase price, in the event the Counties were to exercise their option to purchase, between the time that the Agreement is executed and the end of 2013. It is in the business interests of the Counties to have an appraisal of the Facility. The scope of the Agreement will have Stoel Rives, LLP engage an appraisal firm to assist the Counties in implementing the Option to Purchase section of the 2013-2015 Processing Agreement between the Counties and Resource Recovery Technologies. Funds are available in the 2012 Project Budget that can be used for this agreement.			
<u>PROJECT BOARD ACTION REQUESTED:</u> Authorize the Chair of the Project Board to execute a contract with Stoel Rives, upon approval to form by the County Attorney, in an amount not to exceed \$60,000 for engagement of appraisal services.			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> Funds are available within the Project Budget that can be transferred for this expense, within the line item for waste processing.			
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
<u></u>		<u>8/16/2012</u>	
Ramsley County Attorney		Date	
<u>Washington County Attorney</u>		<u>Date</u>	
		<u></u>	
		Budgeting & Accounting	
		<u>8/16/2012</u>	
		Date	

**Agreement between the Ramsey/Washington County Resource Recovery Project Board
("PROJECT") and Stoel Rives LLP ("Contractor")
Appraisal Firm Engagement**

This is an Agreement between the Ramsey/Washington County Resource Recovery Project Board ("Project") and Stoel Rives LLP ("Contractor") for professional services.

WHEREAS, Contractor provides legal and other consulting services to the Project pursuant to that certain agreement dated May 26, 2006, as amended, through December 31, 2012 ("Contract") ; and

WHEREAS, the Contractor has it needs to engage an appraiser to assist Contractor in providing services pursuant to the Contract; and

WHEREAS, additional funds will be required to compensate Contractor for the expenses it incurs in retaining the services of an appraiser;

NOW, THEREFORE,

The Project and the Contractor agree as follows:

1. Scope of Services

The Contractor shall engage an appraisal firm to assist it in providing services to the Project pursuant to the Contract, specifically working on the Option to Purchase provision of the Processing Agreement to be executed by Ramsey and Washington Counties and Resource Recovery Technologies for the period January 1, 2013, through December 31, 2015.

2. Term

The Term of this Agreement is August 23, 2012 through December 31, 2013.

3. Cost/Payment

- a. The Project will reimburse the Contractor for the cost of obtaining the services of an appraisal firm to assist Contractor in providing services pursuant to the Contract, in an amount not to exceed \$60,000.
- b. The Contractor shall submit an invoice to the Project no more frequently than on a monthly basis. Invoices will be accompanied by documentation detailing expenses incurred by Contractor. Payment will be made within 45 days of receipt of a detailed invoice.
- c. Interest accrual and disputes regarding payment shall be governed by the provisions of Minnesota Statutes Section 471.425.

4. Independent Contractor

It is agreed that nothing contained in this Agreement is intended or should be construed as creating the relationship of agents, partners, joint venturers, or associates between the parties hereto or as constituting the Contractor as the employee of the Project for any

purpose or in any manner whatsoever. The Contractor is an independent contractor and neither it, its employees, agents nor representatives are employees of the Project. From any amounts due the Contractor, there will be no deductions for federal income tax or FICA payments, nor for any state income tax, nor for any other purposes, which are associated with an employer-employee relationship unless required by law. Payment of federal income tax, FICA payments, and state income tax are the responsibility of the Contractor.

5. Indemnification

The Contractor shall indemnify, hold harmless, and defend the Project, Ramsey County, and Washington County, their officials, employees, and agents from any and all liability, loss, costs, damages, expenses, claims, or actions, including attorney's fees, which the Project, Ramsey County, Washington County, their officials, employees, and agents may hereafter sustain, incur or be required to pay, arising out of or by reason of any act or omission of the Contractor, its agents, or employees, in the execution, performance, or failure to adequately perform the Contractor's obligations pursuant to this Agreement.

6. Insurance

a. The Contractor shall purchase and maintain such insurance as will protect the Contractor from claims which may arise out of, or result from, the Contractor's operations under this Agreement, whether such operations are by the Contractor or by any subcontractor, or by anyone directly employed by them, or by anyone for whose acts or omissions anyone of them may be liable.

b. The Contractor shall secure the following coverages and comply with all provisions noted. Certificates of Insurance shall be issued evidencing such coverage to the Project throughout the term of this Agreement.

b.1 Commercial General Liability Insurance

- b.1.1 \$ 1,000,000 per occurrence
- \$ 2,000,000 general aggregate
- \$ 2,000,000 products/completed operations total limit
- \$ 1,000,000 personal injury and advertising liability

b.1.2 All policies shall be written on an occurrence basis using ISO form CG 00 01 07 98 or its equivalent.

b.2 Automobile Insurance

b.2.1 Coverage shall be provided for hired, non-owned and owned auto.

b.2.2 Minimum limits: \$1,000,000 combined single limit.

b.3 Workers' Compensation and Employer's Liability

- b.3.1 Workers' Compensation as required by Minnesota Statutes
- b.3.2 Employer's Liability limits:
\$500,000/\$500,000/\$500,000
- b.4 Professional Liability/Errors and Omissions Coverage
 - b.4.1 Per Claim Limit: \$1,000,000
Aggregate Limit: \$2,000,000
 - b.4.2 All policies shall be written as acceptable to the Project.
 - b.4.3 Certificate of Insurance must indicate if the policy is issued on a claims-made or occurrence basis. If coverage is carried on a claims-made basis, then: 1) the retroactive date shall be noted on the Certificate and shall be prior to or the day of the inception of this Agreement; and 2) evidence of coverage shall be provided for three years beyond expiration of this Agreement.
- c. All Certificates of Insurance shall provide that the insurance company gives the Project thirty (30) days prior written notice of cancellation, non-renewal and/or any material change in policy.
- d. The above sub-paragraphs establish minimum insurance requirements, and it is the sole responsibility of the Contractor to purchase and maintain additional insurance that may be necessary in connection with this Agreement.
- e. Certificate of Insurance must indicate if the policy is issued pursuant to these requirements. The Contractor shall not commence work until the Contractor has obtained the required insurance and filed an acceptable Certificate of Insurance with the Project. Copies of insurance policies shall be submitted to the Project upon request.
- f. Nothing in this Agreement shall constitute a waiver by the Project, Ramsey County, or Washington County of any statutory or common law immunities, limits, or exceptions on liability.
- g. Certificates shall specifically indicate if the policy is written with an admitted or non-admitted carrier. Best's Rating for the insurer shall be noted on the Certificate, and shall not be less than an A.

7. Non-Assignability

The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by subcontract, assignment or novation, without the prior written consent of the Project.

8. Unavailability of Funding

The purchase of services from the Contractor under this Agreement is subject to the availability and provision of funding from the United States, the State of Minnesota, or other funding sources. The Project may immediately cancel this Agreement, or a portion of the services to be provided under this Agreement, if the funding for the services is no longer available to the Project. Upon receipt of the Project's notice of cancellation of the Agreement, or of a portion of the services to be provided under this Agreement, the Contractor shall take all actions necessary to discontinue further commitments of funds to the extent they relate to the Agreement or the portions of this Agreement for which funding has become unavailable.

9. Non-Conforming Services

The acceptance by the Project of any non-conforming services under the terms of this Agreement or the foregoing by the Project of any of the rights or remedies arising under the terms of this agreement shall not constitute a waiver of the Project's right to conforming services or any rights and/or remedies in respect to any subsequent breach or default of the terms of this Agreement. The rights and remedies of the Project provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

10. Equal Employment Opportunity

The Contractor agrees to comply with all federal, state and local laws, resolutions, ordinances, rules, regulations and executive orders pertaining to unlawful discrimination on account of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, sexual orientation, disability, or age. When required by law or requested by the Project, the Contractor shall furnish a written affirmative action plan.

11. Workforce Diversity

The Contractor shall make good faith efforts throughout the term of this Agreement, and any extensions thereof, to employ persons of color for all classifications of work under this Agreement, and shall, when requested by the Project, submit a written report to the Project regarding the efforts and results of such efforts, including employment by job classification.

12. Workplace Violence Prevention

The Contractor shall make all reasonable efforts to ensure that the Contractor's employees, officials and subcontractors do not engage in violence while performing under this Agreement. Violence, as defined by the Ramsey County Workplace Violence Prevention and Respectful Workplace Policy, is defined as words and actions that hurt or attempt to threaten or hurt people; it is any action involving the use of physical force, harassment, intimidation, disrespect, or misuse of power and authority, where the impact is to cause pain, fear or injury.

13. Subcontractor Payment

The Contractor shall pay any subcontractor within ten days of the Contractor's receipt of payment from the Project for undisputed services provided by the subcontractor. The Contractor shall pay interest of 1 1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

14. Setoff

Notwithstanding any provision of this Agreement to the contrary, the Contractor shall not be relieved of liability to the Project for damages sustained by the Project by virtue of any breach of this Agreement by the Contractor. The Project may withhold any payment to the Contractor for the purpose of setoff until such time as the exact amount of damages due the Project from the Contractor is determined.

15. Data Practices

All data collected, created, received, maintained or disseminated for any purpose in the course of the Contractor's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, or any other applicable state statutes, any state rules adopted to implement the Act and statutes, as well as federal statutes and regulations on data privacy.

16. Compliance With Applicable Law

The Contractor agrees to comply with all federal, state and local laws or ordinances, and all applicable rules, regulations, and standards established by any agency of such governmental units, which are now or hereafter promulgated insofar as they relate to the Contractor's performance of the provisions of this Agreement. It shall be the obligation of the Contractor to apply for, pay for and obtain all permits and/or licenses required by any governmental agency for the provision of those services contemplated herein.

17. Audit

Until the expiration of six (6) years after the furnishing of services pursuant to this Agreement, the Contractor, upon written request, shall make available to the Project, the State Auditor or the Project's ultimate funding sources, a copy of this Agreement and the books, documents, records and accounting procedures and practices of the Contractor relating to this Agreement.

18. Termination

a. With Cause

The Project reserves may suspend or terminate this Agreement if the Contractor violates any of the terms or conditions of this Agreement or does not fulfill in a timely and proper manner its obligations under this Agreement as determined by the County. In the event

that the Project exercises its right of suspension or termination under this Paragraph, it shall submit written notice to the Contractor, specifying the extent of such suspension or termination under this Paragraph, the reasons therefore, and the date upon which such suspension or termination becomes effective. Upon receipt of such notice, the Contractor shall take all actions necessary to discontinue further commitments of funds to the extent that they relate to the suspended or terminated portions of this Agreement.

b. Without Cause

The Project may terminate this Agreement without cause and for any reason whatsoever upon giving at least thirty (30) days' written notice thereof to the Contractor. In such event, the Contractor shall be entitled to receive compensation for the services provided in a satisfactory manner up to and including the effective date of termination.

19. Conflict of Interest

The Contractor affirms that, to the best of the Contractor's knowledge, the Contractor's involvement in this Agreement does not result in a conflict of interest with any party or entity which may be affected by the terms of this Agreement. The Contractor agrees that, should any conflict or potential conflict of interest become known to the Contractor, the Contractor will immediately notify the Project of the conflict or potential conflict, specifying the part of this Agreement giving rise to the conflict or potential conflict, and will advise the Project whether the Contractor will or will not resign from the other engagement or representation.

20. Waste Reduction

The Contractor shall participate in a recycling program for at least four broad types of recyclable materials and shall favor the purchase of recycled products in its procurement processes. All reports, publications and documents produced as a result of this contract shall be printed on both sides of the paper, where commonly accepted publishing practices allow, on recycled and recyclable paper using soy-based inks, and shall be bound in a manner that does not use glue.

21. HIPAA Compliance

The Contractor agrees to implement and comply with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA, Public Law 104-191), as it may be amended from time to time.

22. Alteration

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing and duly signed by both parties.

23. Interpretation of Agreement; Venue

This Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate state or federal district court in Ramsey County, Minnesota.

24. Entire Agreement

This Agreement shall constitute the entire agreement between the parties and shall supersede all prior oral or written negotiations.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement.

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT

By: _____ Date _____
Project Board Chair

Funds Available:

Ramsey County Fund Number:

Audan M. Kull 8/16/12
By: _____ Date _____
Ramsey County Budgeting & Accounting

Approved as to Form:

Kay D. Beck 8/16/12
By: _____ Date _____
Ramsey Assistant County Attorney

By: _____ Date _____
Washington Assistant County Attorney

Recommended By:

By: _____ Date _____
Lead Member, Joint Staff Committee

Stoel Rives LLP:

By: _____ Date _____
Its:

EXHIBIT A
SCOPE OF SERVICES
RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT

As directed by the Joint Staff Committee.

1. Engage an appraisal firm to assist the Counties in implementing the Option to Purchase section of the 2013-2015 Processing Agreement between the Counties and Resource Recovery Technologies. Particular focus is completing an appraisal of the Resource Recovery Facility located at 2901 Maxwell Ave N, Newport Minnesota. Parameters for the Facility appraisal are contained in the 2013-2015 Processing Agreement.
2. Appraisal firm would also provide consultation, analysis and advice on Option to Purchase issues.

Resolution 2012-RR-_____

WHEREAS, Ramsey and Washington (the “Counties”) desire to continue to benefit, protect and ensure the public health, safety, welfare and environment of the Counties’ residents and businesses through sound management of solid waste generated in the Counties; and

WHEREAS, the Counties have entered into a Joint Powers Agreement that creates the Ramsey/Washington County Resource Recovery Project (the Project) for the purpose of administering the Counties rights and obligations under the Processing Agreement with Resource Recovery Technologies (RRT) and overseeing other joint solid waste activities; and

WHEREAS, the Project has contracted with the firm of Stoel Rives LLP in 2012 to carry out the consulting services associated with waste processing; and

WHEREAS, there are a number of policy and legal issues in 2012 for the Project and Counties to deal with that were not anticipated in the original agreement, establishing specific information related to the Counties’ option to purchase in that Agreement and establishing a possible purchase price for the Facility; and

WHEREAS, Stoel Rives LLP is willing to provide consulting services to the Project, including subcontracting with an appraisal firm to assist with this work; and

WHEREAS, It is in the business interests of the County to have Stoel Rives LLP retain the appraisal firm to assist it in advising the Counties on the provisions of an option to purchase in a new Processing Agreement with RRT; and

WHEREAS, the 2012 Resource Recovery Project Budget has funds available that can be adjusted to pay for additional services by Stoel Rives for 2012.

NOW, THEREFORE, BE IT RESOLVED the Ramsey/Washington County Resource Recovery Project Board hereby authorizes the Chair of the Project Board to approve and execute a new agreement with Stoel Rives LLP, in a form to be approved by the County Attorney, in an amount not to exceed \$60,000, to engage appraisal services to assist it in providing advice to the Counties on the provisions of option to purchase in a new Processing Agreement, with a term from August 23, 2012 to December 31, 2013.

BE IT FURTHERRESOLVED, The Project Board authorizes an adjustment to the 2012 Project Board budget as follows:

	<u>From</u>	<u>To</u>	<u>Difference</u>
<u>Decrease Appropriations</u>			
4422306 Resource Recovery Facility Service Fee	\$3,440,000	\$3,380,000	(\$60,000)
<u>Increase Appropriations</u>			
421201 Legal/Appraisal Services	\$ 100,000	\$ 160,000	\$60,000

Commissioner Dennis Hegberg, Chair

August 23, 2012

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>August 23, 2012</u>		DATE SUBMITTED: <u>August 15, 2013</u>	
FROM: <u>Joint Staff Committee</u>			
<u>DOCUMENT DESCRIPTION:</u>		Revised 2012 Meeting Schedule	
		1. Revised 2012 Meeting Schedule	
<u>BACKGROUND:</u>			
Due to the extensive work and delay in the negotiations of the processing agreement the Resource Recovery Project Board budget process, the remaining meeting schedule has been revised.			
<u>PROJECT BOARD ACTION REQUESTED:</u>			
Information item			
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>			
<u>ADMINISTRATIVE COMMENTS:</u>			
<u>REVIEWED BY:</u>			
Ramsey County Attorney	Date		
Washington County Attorney	Date	Budgeting & Accounting	Date

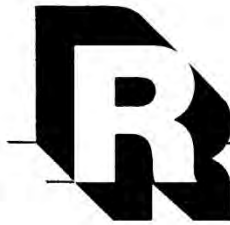
Revised 2012 Meeting Schedule
August 23, 2012
Ramsey/Washington County Resource Recovery Project

- August 23 Project Board Meeting – 9:00 a.m.
- 2013-2015 Processing Agreement
 - Amendments to Stoel Rives related to Processing Agreement
 - Organics Management Update
- September 6 or 7 2013 Budget Committee Meeting –**Tentative Date- 1:00 pm.**
- September 20 Resource Recovery Project Board –**Note 3rd Thursday, 9:00 a.m**
- 2013 Budget Recommendation
 - Continued Policy Discussion as needed
- November 15 Executive committee
- Action on 2013 contracts
 - Review of 2013 Work Plan

AGENDA ITEM B-1

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>August 23, 2012</u> DATE SUBMITTED: <u>August 15, 2013</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	Organics Waste Management Update 1. Memorandum
<u>BACKGROUND:</u> In 2011 the Project Board adopted a vision and milestones for focused activity on non-residential organic waste management. In 2012 staff have initiated several education and consultation activities to implement the vision. Staff will provide a brief update on the progress of the East-Metro Organic Waste Management Project.	
<u>PROJECT BOARD ACTION REQUESTED:</u> Information item	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> Information Item	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
_____ Ramsey County Attorney	_____ Date
_____ Washington County Attorney	_____ Date
_____ Budgeting & Accounting	_____ Date



RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT

2785 White Bear Avenue • Suite 350 • Maplewood, Minnesota 55109 • 651.266.1194 • 651.266.1177

August 23, 2012

To: Ramsey/Washington County Resource Recovery Project Board
From: Joint Staff Committee
Re: East-Metro Organic Waste Management Project Update

Background

In 2011 the Project Board adopted a vision and milestones for focused activity on commercial organic waste management. In 2012 staff have initiated several education and consultation activities to implement the vision. Below is an update on the progress of the East-Metro Organic Waste Management Project.

Vision and Milestones

By 2020, the Waste Management system will value and manage organic waste as a resource, and incentives will be in place to manage organic waste higher on the hierarchy. Comprehensive organic waste management services will be readily available and be offered by the private sector. Architects and developers will design and build for multiple stream collection. Generators and haulers will work together to tailor organics collection services, and pricing will be an incentive for separate management of organic waste. There will be multiple opportunities for organic waste, and end markets for products derived from organic waste will be thriving

The 2012-2013 Milestones are:

- The counties will develop and implement programs for outreach, education, technical assistance and incentives to stimulate separate management of organic waste.
- High volume generators of organic waste will have knowledge of organics management programs, contract for organic collection services, and separately manage organic waste.
- Small and medium volume generators of organic waste will have awareness of organics management options, and some participate in separate organic waste management.

A. Education, Consultation and Technical Assistance

1. *Develop and fine-tune a list of potential commercial generators of organic waste for outreach efforts.*

Completed.

2. *Development of an East-Metro Commercial Organics and Recycling Website*

The website will be a portal for commercial generators to make decisions for recycling and organics management. The website will

- a. Raise awareness,
- b. Provide local relevant Tool Kits for businesses,
- c. Provide access to Project and County resources that are available, and
- d. Provide connections to other waste management resources.

Through a complete process, the Risdall Public Relations firm was selected to develop the website. A concept for the site has been developed and is in review at this time, while content is simultaneously being developed for placement into the website by early Fall.

3. *Develop social media tools for businesses to inquire and share information.*

Business-to-business communication has exploded with the availability of social media. Plans call for the Project develop and maintain a moderated electronic forum, and other appropriate social media tools, for businesses to exchange information about organic waste and recycling, anchored by the newly developed web page.

Hiring a social media consultant has been deferred until the web page has been further developed.

4. *Procure consulting and technical assistance services for 2012.*

a. *JL Taitt and Associates works with institutional generators, such as school districts, hospitals and nursing homes, alternative care facilities, and colleges and universities.*

JL Taitt and County staff have worked with Forest Lake Area Schools to plan and implement food waste recycling programs district-wide all Forest Lake Area Schools located in Washington County (three elementary schools, two junior high schools and one high school).

Work is also focused on outreach to private and charter schools. JL Taitt has been providing technical assistance to Hamline University, which currently is in the process of completing construction of a new university center where its foodservice operation will be relocated. The technical assistance has focused on overcoming significant waste and recycling storage space and loading dock limitations in the new building, to allow for food waste recovery.

The Associated Colleges of the Twin Cities (ACTC) is a consortium of five liberal arts colleges and universities in the Twin Cities and 14 associated private colleges statewide. Hamline University is scheduled to host the ACTC Facilities Management Committee Meeting in fall 2012 and will feature its new trash and recycling system at the meeting. In an effort to provide outreach services, JL Taitt will continue to individually reach out to St. Catherine University, Bethel University, Concordia University and the University of St. Thomas.

The *Rethink Your Bottom Line* workshop for long-term care, assisted living and health care facilities is being planned October 10, 2012 at Boutwells Landing. Speakers include directors and administrators from an array of health care facilities, and workshop attendees will receive CEUs for their participation. Targeted audience includes: administrators, hospital executives, nutrition & culinary services staff, facilities & maintenance directors, environmental services, and housekeeping & laundry staff.

JL Taitt has conducted on-site assessments of the main kitchen at United Hospital (St. Paul) and Woodwinds Hospital (Woodbury) to introduce the concept of food waste recycling and offer recommendations for next steps at these locations.

- b. *Minnesota Waste Wise*, affiliated with the Minnesota Chamber of Commerce, delivers strategic environmental consulting to help businesses save money through waste reduction, resource conservation and energy efficiency.

Waste Wise is working on direct consultation for businesses on organic waste, teaming with MnTAP to conduct outreach and selection of businesses in downtown Saint Paul, White Bear Lake and Stillwater that will be part of MnTAP’s research efforts. Waste Wise is also working with seven interested businesses along Grand Avenue in Saint Paul on a collaborative approach to manage organic waste and recyclables. A summary of their activities follows:

Reporting Categories	Year To Date
Total Outreach	208
Total Businesses Engaged	38
Total Technical Assistance Contacts	127
Total Site Visits	30
Total Businesses Assisted (Completed Initial Services)	17

Waste Wise has completed targeted outreach in 3 clusters, including: White Bear Lake, Stillwater, 55102 zip code (western downtown St. Paul), and expanded outreach to additional areas. The assistance of cultural consultants has been obtained to assist in outreach to Spanish and Hmong speaking restaurant owners in St. Paul

Common barriers include cost, space, availability of service options, unfamiliarity with organics recycling, and commitment on the part of building staff to separate. There is significant interest in organics management, but issue competes for attention with many other priorities in running a business. It’s become clear that we need to make it easy, bring down cost, and expand service options in order to improve the potential for implementation

Waste Wise will continue to provide assistance to engaged businesses, with a target of at least 60 businesses receiving assistance and will contact the remaining 280 businesses on the target list. Five to ten success stories will be developed for use in further promotional efforts and a year-end evaluation of outreach and technical assistance efforts, issues and successes will be conducted.

- c. *The Minnesota Technical Assistance Program (MnTAP)* is an outreach program at the University of Minnesota helping Minnesota businesses develop and implement industry-tailored solutions that prevent pollution at the source, maximize efficient use of resources, and reduce energy use and costs to improve public health and the environment.
One MnTAP project is with a food processing facility, seeking to identify system changes within that operation to reduce waste and cost for the business. The second

entails working with three clusters of restaurants in Stillwater, White Bear Lake, and downtown St. Paul, to implement organic waste recovery. The end goal of each of these projects is to create a replicable model for other businesses to follow.

To date, MnTAP has evaluated 10 restaurants and conducted random sampling at 7 of them (conducting waste sorts on 5 bags per restaurant, collected in a single day). Results have been used to prepare individual reports for the restaurants and to create the replication model. The Land O' Lakes campus was also evaluated, recording daily waste composition and weights across five work weeks. The findings support implementation of an organic food waste recycling program (noting an 80% - 95% potential diversion rate).

5. *Create an outreach plan to targeted businesses*

Staff from the two counties have started to develop this plan for 2012- 2013, but are deferring completion until the web site is further developed, and consultant work is underway. There are two overall objectives for the outreach effort: first, to raise awareness about organic waste management options among all businesses and institutions that generate organic waste. Second, to market the services available from the Project and Counties to assist high-volume businesses in managing organic waste.

B. Financial Interventions and Securing Capacity

Some of the projects were put on hold earlier in 2012, due to negotiations on the 2013-2015 processing agreement.

1. **Continue County Environmental Charge (CEC) - Completed.**
2. **Securing Capacity**
3. **Targeted Grants Program**

Next Steps

Work on developing the East-Metro Organic Management Project will continue, as will the development of performance measures and a reporting system.