



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: October 18, 2012

TIME: 1:00 p.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 – August 23, 2012**
- IV. BUSINESS**
 - A. Administration
 - 1. Report of Budget Activity Information
 - B. Policy
 - 1. 2013 Resource Recovery Project Budget Action
 - C. Updates
- V. OTHER BUSINESS**

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD
AUGUST 23, 2012
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 9:00 a.m., August 23, 2012 at the Saint Paul - Ramsey County Public Health, Environmental Health Section, in Maplewood, Minnesota.

MEMBERS PRESENT

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

MEMBERS ABSENT

Commissioner Bill Pulkrabek – Washington County

ALSO ATTENDING

Joel Andersen, Cheryl Armstrong, Laura Babcock, Mary Elizabeth Berglund, Gary Bruns, Matt Donski, Dan Donkers, Marty Gagliardi, Chris Gondeck, Sarah Haas, Mike Hagen, Zack Hansen, Erin Hesse, Ryan Howell, Judy Hunter, Curtis Johnson, Randy Kiser, Peter Klein, Sandy Koger, George Kuprian, Susan Kuss, Danielle Lesmeister, Harry McPeak, Fred Melo, Ryan O’Gara, Tina Patton, Karen Reilly, Katie Shaw, Warren Shuros, John Springman, Ryan Tritz, Joe Wozniak

Introductions were made.

APPROVAL OF AGENDA

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

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

APPROVAL OF THE FEBRUARY 23, 2012 MINUTES

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

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

Commissioner Ortega arrived.

SECTION A: POLICY

2013 – 2015 Processing Agreement with RRT

Zack Hansen stated the current agreement with RRT expires in 2012. Back in March, staff brought to the Project Board the terms and conditions for a new Processing Agreement between the Counties and RRT. At that time the Project Board accepted the terms and conditions and directed Staff to work with RRT to develop a processing agreement and bring it directly to the County Boards for approval. As staff was developing the processing agreement with RRT, RRT said that the pricing structure did not fit the current terms and conditions in the processing agreement. They had misjudged the market and asked the Counties to reopen negotiations. Following receipt of a letter stating that, Staff met with the Executive Committee twice in June, and the Executive Committee authorized Staff to reopen negotiations with RRT, provided guidance for the negotiations, and directed staff to return to the Project Board with revised terms for a processing agreement.

Mr. Hansen stated that staff, attorneys and consultants have worked with RRT, and have come to an agreement with revised terms and conditions with RRT. RRT has agreed to these terms and conditions in writing, and Staff is working with RRT to complete the agreement.

Mr. Hansen said that the agreement for 2013 – 2015 assures that work on the environmental objectives that the Counties have in their Master Plans will continue, and that processing will continue for at least three years as outlined in the Master Plans. He noted that the economics of the solid waste system do not currently support a merchant approach without County assistance. Moving forward with this approach provides some continued stability in the East-Metro area. The three year agreement continues the operation as a private venture. It provides time for the Counties to look forward into the future as how to continue processing, and decide on facility ownership.

The terms and conditions of the processing agreement are:

- A three year term from 2013 -2015;
- A hauler rebate of \$28/ton, with no processing payments directly to RRT;
- Total annual rebate capped at \$8.4 million which is equivalent to 300,000 tons delivered; if Counties pay more, RRT will reimburse
- RRT guarantees delivery of specific tonnages of County Waste each year
 - 2013: assures a minimum of 275,000 tons
 - 2014 – 2015: assures 300,000 tons
- The Option to Purchase language outlines a clear process

The agreement includes an exclusive option for the County to purchase the Facility, if RRT

- decides to sell;
- decides to stop using the facility to process waste; or
- defaults on the agreement.

The first step in the process is to agree on a purchase price. Deciding on a purchase price does not commit the Counties to buying. The Agreement provides that the purchase price that is agreed to will be limited to the value of the land and buildings, machinery, equipment—essentially the tangible items. The price would not include the value of the facility as a going concern. Because of the importance of establishing a purchase price, and the complexity of pricing, acquiring the services of an appraiser is a very important component of this work.

The proposed agreement provides that, if the Counties exercise the option to purchase in 2015, RRT has the right to reject the purchase. If they do, the Agreement would automatically extend two years through 2017. RRT would be obligated to meet its obligations and guarantees. However, the Counties would not pay hauler rebates in 2016 and 2017 which means that RRT would have to survive as a merchant facility. The Counties have a right to first refusal for Facility purchase during the extended term.

Commissioner Kriesel commented that the Newport Facility site has served its purpose and that another site location should be looked into with new state-of-the-art technology along with a mass burn facility that generates electricity so fuel doesn't have to be hauled offsite.

Mr. Hansen said that as the budget and work plan is prepared for 2013, staff would make sure that there will be a review of processing alternatives, that would be discussed with the Project Board early in 2013.

Commissioner Parker expressed appreciation to Staff and RRT for the work, and that this has been a great public/private partnership. She went on to say that this is an opportunity in the next three years to take a look at what the future options are.

- should we continue as is,
- should the County change its role, or
- should we look at other alternatives.

Commissioner Lehrke expressed concern that business model of private ownership isn't working, and that continuing to pay RRT isn't the right answer. She cited that significant funds had been paid to RRT over the past few years.

Commissioner Rettman stated that she opposed the option to purchase provision, and would vote "no" if that was included in the action. She stated that she supports processing and would like to get the tonnage there, but has a problem with buying the facility. She stated that she is OK with a 3 year term, but would be willing to go 5 years. She sought to bifurcate the resolution.

Commissioner Reinhardt stated that the resolution could not be split, since the agreement was one document. That having the option to purchase language does not commit the Counties in any way, but focuses the Counties to have a discussion and make a decision.

Commissioner Carter agreed that there was nothing in the action that commits the Counties to purchase, and that the language gives the Counties flexibility. She stated that she would prefer a market-driven approach, but that we need a "plan B."

Commissioner Kriesel stated that his earlier comments were that we need a "plan B," and that we need to examine alternatives.

Commissioner Hegberg stated that "garbage is a messy business," and that we are in it because of the environmental goal and to protect groundwater, but issue with costs, risks, landfills, public/private ownership and conflicts, that it is messy. In looking around the country, we've done very well. We have not submitted our taxpayers to large costs, and have lots of accomplishments in the past 25 years. He agreed that we need to look at technology.

Commissioner Lehrke commented on the cost of the proposed contract, and stated that this in one area where maybe government can do a better job than the private sector.

Commissioner Rettman stated that haulers and transfer stations provide good work, union work, and in this global market the private sector can do well.

Commissioner Reinhardt moved, seconded by Commissioner Carter, that 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. 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.

Roll Call: Ayes – 6 Nays – 2 Motion Carried.

Commissioners Lehrke and Rettman opposed.

Amendment #8 to the Agreement with Stoel Rives, LLC

Zack Hansen said that the agreement with Stoel Rives has been exhausted due to the need for extended negotiations with RRT and the appraisal process. The services Stoel Rives provides are critical to the Project and staff recommends Amendment #8 to the Agreement with Stoel Rives.

Commissioner Carter moved, seconded by Commissioner Parker, 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, to increase the contract maximum for the period January 1, 2012, to December 31, 2012, to \$100,000. 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	\$3,440,000	(\$60,000)
Increase Appropriations				
421201	Legal Services	\$ 40,000	\$ 100,000	\$60,000

Roll Call: Ayes – 6 Nays – 2 Motion Carried.

Commissioners Lehrke and Rettman opposed.

Amendment #9 to the Agreement with Stoel Rives, LLC

Zack Hansen said there is a substitute resolution for Amendment #9 to the Agreement with Stoel Rives. The effect of the action is the same. The difference is the item in the board packet contemplated a separate agreement for appraisal services. In discussions last week, the County Attorneys felt that it would be better to amend the existing agreement. The result is the same to amend the agreement for \$60,000 so that Stoel Rives would obtain an appraisal firm to appraise the facility on behalf of the Counties.

Commissioner Park moved, 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 \$60,000, for payment of the expenses of obtaining an appraisal of the Facility and 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. 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	\$3,440,000	\$3,380,000	(\$60,000)
Increase Appropriations				
421201	Legal/Appraisal Services	\$ 100,000	\$ 160,000	\$60,000

Roll Call: Ayes – 7 Nays – 1 Motion Carried.

Commissioner Rettman opposed.

Revised 2012 Meeting Schedule

Judy Hunter presented to the Project Board the revised 2012 Meeting Schedule. Due to the conflict in the Commissioner’s schedules, the September 20th Resource Recovery Project Board meeting was cancelled and rescheduled to October 18th at 1:00 pm.

SECTION B: UPDATES

Organic Waste Management Update

Minnesota Waste Wise: Dan Donkers, Ramsey County, said that Minnesota Waste Wise is a program with the Minnesota Chamber of Commerce. They have been active since the mid 1990s and have a long track record working with businesses on recycling and waste reduction issues. The purpose of the contract is to increase awareness of organics recovery opportunities, increase organics recovery and recycling practices in the business communities and build a greater understanding of barriers and opportunities to organics recovery and non-residential recycling.

The first area of focus for them was to help identify opportunities in clusters. Focusing on clusters makes organics recovery more affordable for businesses. They focused in White Bear Lake, Stillwater and the 55102 zip code which is part of downtown Saint Paul. They expanded outreach to other areas in the two counties in May and engaged assistance of cultural consultants to assist in outreach to Spanish and Hmong speaking restaurant owners in Saint Paul.

Some of the things they are finding while in the field is:

- cost
- space
- availability of service options
- unfamiliarity with organics recycling
- lack of commitment

The next steps is for them to target 60 businesses assisted, contact remaining 280 businesses on the target list, prepare 5-10 success stories for use in further promotional efforts and provide year-end evaluation of outreach and technical assistance efforts, issues and successes.

JL Taitt and Associates: Dan Donkers said that JL Taitt and Associates has been working with K-12 public, private and charter schools, colleges and universities, and long-term care, assisted living and health care facilities.

Some of the achievements have been:

- implemented food waste recycling programs at all Forest Lake Area Schools in Washington County
- technical assistance to Hamline University
 - completing construction of a new university food service center
 - resolved space and storage issues at loading docks
 - implementing recommendations for enhancements and expansion to programs
- hospitals and other health care facilities
 - on-site assessment of United Hospital's main kitchen
 - presentation to decision makers of an on-site assessment of main kitchen at Woodwinds Hospital

The next steps are:

- presentation to the Associated Colleges (ACTC) Facilities Service group featuring the new trash and recycling system at Hamline University this Fall
- Rethink Your Bottom Line food waste recycling workshop at Boutwells Landing in October

Minnesota Technical Assistance Program (MnTAP): Sara Haas , MnTAP, said that they are an organization out of the University of Minnesota who provides technical assistance for pollution prevention and energy efficiency for Minnesota businesses. The purpose of this project was to create a replication model that food processing facilities and restaurants could use to implement an organics program. They hired two students to conduct:

- an evaluation
- measurement
- recommendations
- replication

One student went to evaluate 10 restaurants. Of the 10 restaurants, 3 did not want their garbage evaluated. This student did a random sampling of 5 bags of garbage per restaurant. The findings support other regional studies.

The other student went to the Land O'Lakes campus for 5 weeks and recorded the daily waste composition and weight. The findings support the implementation of 80% potential diversion (no package) and 95% potential diversion (packaged).

The next step is to deliver the individual reports to the companies, finalize the replication model, and share the results.

Risdall: Danielle Lesmeister, Washington County, updated the Project Board on the Organics Web Development. The main purpose of the website is to raise awareness on commercial organics waste management. Staff want to provide local relevant tool kits that are tailored and geographically targeted for businesses in the East Metro. Staff also want to coordinate project and County resources to provide connections to other waste management resources.

Staff have finalized a name for the website and choose BizRecycling with a tag line of "less trash is more money". The domain address is lesstrash.com. They are hoping to have a launch date sometime in the early Fall.

Staff Updates

Tina Patton, Minnesota Pollution Control Agency, updated the Project Board on the processing mandate.

ADJOURNMENT

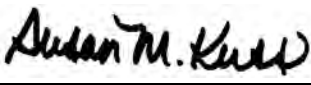
Chair Hegberg adjourned the meeting.

Approved:

Commissioner Dennis Hegberg, Chair

AGENDA ITEM A-1

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR BOARD ACTION

BOARD MEETING DATE: <u>October 18, 2012</u> DATE SUBMITTED: <u>October 9, 2012</u>	
FROM: <u>Joint Staff Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	Report of Budget Activity 1) Budget Condition Report
<u>BACKGROUND:</u> The Resource Recovery Project Board periodically requests a budget status report on the activities of the Resource Recovery Project.	
<u>PROJECT BOARD ACTION REQUESTED:</u> For information only.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u>	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
Ramsey County Attorney _____	Date _____
Washington County Attorney _____	Date _____
	 _____
	Budgeting & Accounting 10.9.12 Date

Report ID: GLS8020
 Bus. Unit: RC--Ramsey County
 Ledger Grp: ORG
 Currency : USD
 Chartfields Criteria
 Fund: 35101
 Project: All values

Dept: 140101 to 140102
 Budget Period: All values

R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

ORGANIZATION BUDGET LEDGER

Program: All values

Bud Ref: 2012

Account: All values

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<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
<u>Project</u>		<u>Budget Period</u>									
Ramsey/Was - State Auditor											
35101	140101	00000	2012	421102							
		BY2012			4,920.00	0.00	0.00	0.00	4,858.00	98.74%	62.00
Ramsey/Was - Legal Services											
35101	140101	00000	2012	421201							
		BY2012			160,000.00	0.00	0.00	28,239.50	39,928.47	24.96%	91,832.03
Ramsey/Was - County Attorney Services											
35101	140101	00000	2012	421208							
		BY2012			10,000.00	0.00	0.00	0.00	25,025.82	250.26%	-15,025.82
Ramsey/Was - Consulting Services											
35101	140101	00000	2012	421501							
		BY2012			1,500.00	0.00	0.00	1,500.00	0.00	0.00%	0.00
Ramsey/Was - Engineering Service											
35101	140101	00000	2012	421502							
		BY2012			95,000.00	0.00	0.00	56,497.15	38,502.85	40.53%	0.00
Ramsey/Was - Co Project Management Svcs											
35101	140101	00000	2012	421511							
		BY2012			243,153.00	0.00	0.00	0.00	31,467.57	12.94%	211,685.43
Ramsey/Was - Advertising & Promotion											
35101	140101	00000	2012	421602							
		BY2012			292,000.00	0.00	0.00	30,411.62	162,108.85	55.52%	99,479.53

Report ID: GLS8020
 Bus. Unit: RC--Ramsey County
 Ledger Grp: ORG
 Currency : USD
 Chartfields Criteria
 Fund: 35101
 Project: All values

Dept: 140101 to 140102
 Budget Period: All values

R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

ORGANIZATION BUDGET LEDGER

Program: All values

Bud Ref: 2012

Account: All values

Page No. 2
 Run Date 10/09/2012
 Run Time 09:39:32

<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
<u>Project</u>		<u>Budget Period</u>									
Ramsey/Was - Records Storage/Retriev Fees											
35101	140101	00000	2012	423309							
		BY2012			500.00	0.00	0.00	44.70	134.10	26.82%	321.20
Ramsey/Was - Liability & Property Damage											
35101	140101	00000	2012	424107							
		BY2012			25,664.00	0.00	0.00	0.00	16,632.00	64.81%	9,032.00
Ramsey/Was - Membership & Dues											
35101	140101	00000	2012	424302							
		BY2012			750.00	0.00	0.00	0.00	750.00	100.00%	0.00
Ramsey/Was - Other Travel											
35101	140101	00000	2012	424304							
		BY2012			3,000.00	0.00	0.00	0.00	0.00	0.00%	3,000.00
Ramsey/Was - County Manager Meeting Expense											
35101	140101	00000	2012	424306							
		BY2012			300.00	0.00	0.00	0.00	119.00	39.67%	181.00
Ramsey/Was - Other Services											
35101	140101	00000	2012	424601							
		BY2012			80,000.00	0.00	0.00	33,576.31	46,423.69	58.03%	0.00
Ramsey/Was - Resource Recovery Service Fee											
35101	140102	00000	2012	422306							
		BY2012			3,380,000.00	0.00	0.00	0.00	2,016,145.30	59.65%	1,363,854.70

Report ID: GLS8020
 Bus. Unit: RC--Ramsey County
 Ledger Grp: ORG
 Currency : USD
 Chartfields Criteria
 Fund: 35101
 Project: All values

R-A-M-S-E-Y C-O-U-N-T-Y A-S-P-E-N
 BUDGET STATUS REPORT

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 Run Time 09:39:35

ORGANIZATION BUDGET LEDGER

Dept: 140101 to 140102
 Budget Period: All values

Program: All values

Bud Ref: 2012

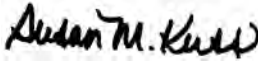
Account: All values

<u>Fund</u>	<u>Dept</u>	<u>Program</u>	<u>Bud Ref</u>	<u>Account</u>	<u>Budget</u>	<u>Assoc Revenue</u>	<u>PreEncumbrance</u>	<u>Encumbrance</u>	<u>Expense</u>	<u>PctExpd</u>	<u>Remaining</u>
<u>Project</u>		<u>Budget Period</u>									
Ramsey/Was - Rebates-Res Rec Tipping Fees											
35101	140102	00000	2012	424623							
		BY2012			4,900,000.00	0.00	0.00	0.00	2,834,380.22	57.84%	2,065,619.78
Ramsey/Was - Subsidies to Other Entities											
35101	140102	00000	2012	425102							
		BY2012			1,000,000.00	0.00	0.00	83,784.32	123,114.04	12.31%	793,101.64
Grand Total :					10,196,787.00	0.00	0.00	234,053.60	5,339,589.91	52.37%	4,623,143.49

End of Report

AGENDA ITEM B-1

RAMSEY/WASHINGTON COUNTY RESOURCE RECOVERY PROJECT
REQUEST FOR PROJECT BOARD ACTION

BOARD MEETING DATE: <u>October 18, 2012</u> DATE SUBMITTED: <u>October 11, 2012</u>	
FROM: <u>Resource Recovery Project Board Budget Committee</u>	
<u>DOCUMENT DESCRIPTION:</u>	2013 Project Budget 1) 10/11/12 Memorandum from Budget Committee 2) Proposed 2013 Budget 3) Draft Resolution
<u>BACKGROUND:</u> The Joint Powers Agreement creating the Resource Recovery Project Board provides that the Counties retain the authority to approve annual budgets and establish the tipping fee at the Facility. On October 1, 2012 the Ramsey/Washington County Resource Recovery Project Board Budget Committee recommended that the Project Board approve and recommend County Board approval of a 2013 Project Board budget. Included in this item are the following documents: Memorandum from the Budget Committee to the Project Board, the 2013 Project Budget as recommended by the Committee; and a draft resolution.	
<u>PROJECT BOARD ACTION REQUESTED:</u> Approve and recommend that the Ramsey and Washington County Boards approve the 2013 Resource Recovery Project Budget as recommended by the Resource Recovery Project Board Budget Committee.	
<u>FINANCIAL IMPLICATIONS OF ACTION:</u> As explained in the attached documents.	
<u>ADMINISTRATIVE COMMENTS:</u>	
<u>REVIEWED BY:</u>	
Ramsey County Attorney _____	Date _____
Washington County Attorney _____	Date _____
	 10.15.12
	Budgeting & Accounting _____ Date _____



RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT

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

October 11, 2012

To: Resource Recovery Project Board

From: Resource Recovery Project Budget Committee:
Commissioner Toni Carter
Commissioner Autumn Lehrke
Commissioner Victoria Reinhardt, on behalf of Commissioner Janice Rettman

RE: 2013 Project Budget

Introduction

The Resource Recovery Project Board Budget Committee met on October 1, 2012 to review a 2013 Ramsey/Washington County Resource Recovery Project (Project) Budget prepared by the Joint Staff Committee. The Budget Committee is recommending a 2013 Project Budget to the Project Board. The recommended budget is attached for your review prior to the October 18, 2012 Project Board meeting.

The process for consideration of the budget is as follows:

Committee review and action	October 1, 2012
Project Board Action	October 18, 2012
Budget submitted to County Boards for approval	November

Prior to 2012 the Project had been approving two-year budgets. The 2012 budget was approved for one year, because the Processing Agreement with RRT expires at the end of 2012 and, processing expenses were unknown at the time the budget was considered for approval. The 2013 budget is also a one-year budget.

2013 Budget Structure

At the request of the Budget Committee, the 2013 Budget has been restructured compared to previous budgets. Previous budgets had two categories: "Administration" and "Processing." The Budget is now organized into five Programs, so that work being performed can be more closely linked to specific activities. The five categories are:

- **Project Management** - This Program includes expenses associated with managing the Resource Recovery Project and the Processing Agreement with RRT.
- **Organic Waste Management** - This Program includes funding for the variety of activities that the Project initiated in 2011, following a year-long policy

evaluation of organic waste management. The work includes education, consultation and technical assistance; evaluation and recommendations to address collection efficiencies; evaluation of a starter-grants program; and funding for food rescue. A narrative summary of the Project's work on non-residential recycling and organics is included as Attachment 1 to this memo, entitled "Non-Residential Organic Waste and Recycling Work Narrative."

- **General Outreach** - This Program includes outreach and education activities targeted at waste generators in the two Counties.
- **Policy Evaluation** - This Program is a one-time program, starting in 2013 and ending in 2014, that is a result of the policy discussions and development of the 2013-2015 Processing Agreement. There are three main categories of work: Evaluation of processing alternatives, establishing a purchase price for the Facility, and evaluation of the future of processing, including purchase of the Facility. These are summarized in a narrative summary which is found in Attachment 2, entitled "2013 Policy Evaluations."
- **Resource Recovery** - This Program provides funding for hauler rebates for delivering waste to the processing facility in Newport.

General Comments About the 2013 Budget

Expenses relate to policy decisions made by the Project Board in 2011 and 2012:

- Work continues on the ***East Metro Non-Residential Recycling and Organics*** project (which started in late 2011), with activities related to outreach and promotion, consultation and technical assistance, evaluation of methods to improve transportation, economics, and consideration of starter grants.
- The 2013 – 2015 Processing Agreement, approved by the County Boards on September 18, 2013, includes an increased ***hauler rebate*** (\$28 per ton) with a cap on total County costs (\$8.4 million), but ***no longer includes a processing payment to RRT.***
- In considering the 2013 – 2015 Processing Agreement, the Project Board requested an ***evaluation of alternative waste processing technologies*** that could be considered by the Counties in the future.
- The 2013 – 2015 Processing Agreement also contains revised terms for the Counties' option to purchase the Facility. The 2013 budget contains funds for the ***policy evaluation related to the future of processing.***

2013 BUDGET SUMMARY

The 2013 recommended budget is included as a separate document. The overall 2013 budget is 4.7%, or \$481,639, greater than in 2012, with the increase a result of additional study of waste processing alternatives, and work related to policy evaluation, including potential purchase of the Facility. It is proposed that the increase in the 2013 budget that is a result of one-time expenses related to the policy evaluations (\$589,000) be funded using Resource Recovery Project fund balance. Since this is a 2013 - 2014 Program, Fund Balance would be proposed in the 2014 budget to pay for the policy evaluation expenses that will occur in that year.

Expenses

	2011 Actual	2012 Approved	2013 Budget Committee Recommendation	Change
Project Management	\$ 391,946	\$ 384,787	\$ 362,926	(\$ 21,861)
Organic Waste Management	\$ 67,431	\$ 1,080,000	\$ 964,000	(\$ 116,000)
General Outreach	\$ 320,084	\$ 302,000	\$ 362,500	\$ 60,500
Policy Evaluation	\$ 13,310	\$ 160,000	\$ 589,000	\$ 429,000
Resource Recovery	\$ 8,918,909	\$ 8,270,000 ¹	\$ 8,400,000 ²	\$ 130,000
Total	\$ 9,711,680	\$10,196,787	\$10,678,426	\$ 481,639

Notes:

¹ The Resource Recovery Budget in 2012 (labeled "Processing" in that budget) was originally \$8,400,000, but was adjusted and reduced during 2012 to provide funding for legal services and the Facility appraisal.

² The Resource Recovery funding in 2012 is for hauler rebates. *There is no longer a processing payment made directly to RRT.* The Ramsey County portion (73%) is \$6,132,000, the Washington County portion (27%) is \$2,268,000.

REVENUE

Revenue for the Project comes from these sources:

- Contributions from Ramsey (73%) and Washington (27%) Counties
- Interest income on Resource Recovery Fund Balance
- Insurance dividends from MCIT
- Use of Resource Recovery Fund Balance for one-time expenses associated with the Policy Evaluation Program. The Resource Recovery Fund Balance contains \$5,545,936; using \$589,000 for the Policy Evaluation will leave sufficient funds for cash flow management at the Project.

	2011 Actual	2012 Approved	2013 Budget Committee Recommendation	Change
Ramsey County	\$6,845,594	\$ 7,432,705	\$ 7,354,331	(\$78,374)
Washington County	\$2,531,932	\$ 2,749,082	\$ 2,720,095	(\$28,987)
Interest	\$ 1,445	\$ 15,000	\$ 15,000	\$ 0
Dividends	\$ 20,255	\$ 0	\$ 0	\$ 0
Fund Balance	\$ 0	\$ 0	\$ 589,000 ³	\$589,000
Total	\$9,399,226	\$10,196,787	\$10,678,426	\$481,639

Notes:

³ The Budget Committee recommends the use of Resource Recovery Fund Balance for the one-time expenses associated with the Policy Evaluation Program.

ACTION REQUESTED

The Budget Committee recommends that the Project Board discuss and recommend the proposed 2013 Resource Recovery Project Budget to the Ramsey and Washington County Boards for adoption.

The Budget Committee further recommends that the Project Board authorize the Executive Committee to select a Financial Advisor and Communications Consultant, following a procurement process, in the amounts included in the recommended 2013 Budget.

DRAFT

2013 Resource Recovery Project Budget Non-Residential Organic Waste and Recycling Work Outline

Background

During 2011 the Project Board spent a significant amount of time considering policy and strategic direction for managing organic waste in the East Metro area. At meetings in January, April, June and September the Board decided on a vision and milestones for commercial organic waste management, gathered information from the public and private sectors about how to increase further organic waste recovery, provided strategic direction to staff, and authorized a number of contracts and expenditures to set things in motion.

Because business decisions on organic waste frequently include discussion of recycling of traditional materials (paper, cardboard, glass, metal) this work plan includes an expansion of outreach activities to include resources that support non-residential recycling.

Vision and Milestones

In April 2011, the Project Board adopted a Vision for Organic Waste Management, as well as milestones looking to year 2020. The vision is:

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

Milestones for the years 2012-2013 are shown below:

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

2013 Work Plan

A. Education, Consultation and Technical Assistance

1. ***Continue to develop and fine-tune a list of potential commercial generators of organic waste for outreach efforts.*** Maintaining an accurate database of businesses is key to targeted outreach. Most of this work can be done in-house with the respective County GIS staff, but it may be necessary to secure an intern or temporary employee to help with data entry and database management. This database will also help in recycling outreach efforts.

2. ***Maintain, Expand and Improve the East-Metro Non-Residential Organics and Recycling Website.*** The Project will soon launch the new site at the URL www.lesstrash.com. This is an essential element for the Counties' efforts to increase recycling and organic management for non-residential generators. The website is targeted at local businesses in Ramsey and Washington Counties, with resources tailored to meet their needs.

In 2013 the following steps are expected, and the recommendation is to continue to contract with Risdall, the site developer, to continue work on the site.

- a. Maintain the site, including updating content
 - b. Expand the site to include tools targeted at specific sectors, based on content developed during 2012
 - c. Expand the site to include broader and deeper information about non-residential recycling
 - d. Explore a social media component, such as a blog, for businesses.
3. ***Contract for consulting and technical assistance services for 2013.*** Staff recommends that the Project continue to provide consulting services to high volume generators of organic waste, and expand to targeted commercial organics generators. To do that, staff recommend that Minnesota Waste Wise, JL Taitt and Associates and MnTAP continue to be retained. The idea is that each of these three consultants has a niche, and the services they offer and expertise will combine to make an effective team for the East Metro area.

For 2013 staff recommends the following:

- a. ***JL Taitt and Associates*** to provide technical assistance and consultation services for institutional generators, such as school districts, hospitals and nursing homes, alternative care facilities, and colleges and universities. _

- b. **Minnesota Waste Wise** is a member-supported 501(c)(3) affiliated with the Minnesota Chamber of Commerce, that delivers strategic environmental consulting to help businesses save money through waste reduction, resource conservation and energy efficiency. The Project retained Waste Wise in 2012 for direct consultation for businesses on organic waste.

- c. **Minnesota Technical Assistance Program (MnTAP) consultation and technical assistance.** In 2012 the Project contracted with the Minnesota Technical Assistance Program (MnTAP) for research and outreach on organic waste. Two projects were completed, one with a food processor (Land-o-Lakes) and the second with a number of restaurants. Based on the research, the Project will contract with MnTAP again in 2013, this time with MnTAP retaining an employee dedicated to working with food processors and certain institutional organic waste generators.

B. Outreach

This work has two overall objectives. First, to raise awareness about organic waste management and recycling options among businesses and institutions, and second, to market the organic waste management services available from the Project and Counties to assist large volume generators of organic waste.

1. **Marketing:** Use the services of Risdall (beyond the web site assistance) to provide marketing expertise to assist in devising methods to directly reach non-residential generators, including targeted organic waste generators. Risdall would assist in devising methods to best reach targeted audiences and to assist in developing the strategies to market those services.
2. **Outreach materials:** Materials are needed for use by staff, consultants, and others to promote organic waste and recycling services. Funds are set aside for Graphic design services for development, as well as production, of materials with a consistent branded theme. The design services would be used for development of direct mail items, brochures and promotional materials, technical assistance materials used by staff and consultants, as well as the look of electronic ads.
3. **Broad Outreach Campaign:** Implement a broad outreach campaign to raise awareness among all potential non-residential generators about recycling and organic waste management
 - a. Contact all businesses and institutions in the two Counties once in 2013 using direct mail, with information about resources on the BizRecycling web site and RethinkRecycling.com
 - b. Develop and implement electronic ads three times in 2013 on business-specific web pages directing businesses to the BizRecycling web site.

4. **Targeted Campaign:** Target high volume organic waste generators for additional specific messages and availability of technical assistance.
 - a. Contact non-residential generators likely to have high volumes of organic waste in Ramsey and Washington Counties twice in 2013 using direct mail postcards.
 - b. Use business-specific social media and promote key messages at least twice each year in 2012
 - c. Key messages:
 - i. Separate management of organic waste is safe, clean, and saves money
 - ii. Free assistance is available
 - iii. For further information go to www.lesstrash.com
5. **Evaluate:** level of awareness among generators using survey tools, focus groups, and feedback gathered by consultants.

C. Financial Interventions and Securing Capacity

1. Securing Capacity

At its September, 2011 meeting, the Resource Recovery Project Board adopted Resolution 2011-RR-03, which provided authorization to proceed with a number of activities related to organic waste. One element of the resolution said:

“Authorize staff to further discuss organic waste transfer capacity with transfer station operators, and, if appropriate, develop, issue, and evaluate either a request for proposals (RFP) or request for expressions of interest (RFI), with a report back to the Project Board in early 2012.”

In December 2011, working with Foth, the Project issued a “Request for Expressions of Interest,” (RFEI) and distributed it broadly. The purpose of the RFEI was to assist the Resource Recovery Project in determining how best to pursue provision of transfer station capacity to receive and transport commercial and residential *organic* wastes collected in the two counties to organics processing facilities located inside or outside the two counties. The RFEI provided background information, and asked a number of general questions to solicit input from potential service providers. Five responses were received, as well as several inquiries and requests to “stay informed.”

Because of time constraints that resulted from the protracted negotiations with RRT in 2012 as well as staffing changes in the Counties, this work was put “on hold.”

- a. **Evaluation and Recommendation for Transfer Capacity:** The work will be resurrected in 2013, along with recommendations for how the Counties can most effectively increase collection efficiencies for organic waste. The

work would be conducted by staff and Foth, with the funding included in the Foth budget.

- b. ***Placeholder funding for Transfer Payments:*** During 2013 the Project Board will evaluating options to increase the separate management of organic waste. This line item is a placeholder for the funding of any activities related to organic waste management. Funding may be needed to stimulate more recovery of organic waste.

2. Targeted Grants Program

Using financial grants targeted for specific purposes has been successful in other parts of the U.S. and Canada to increase recycling and organics management. The Project Board authorized staff to “design a targeted ‘Starter Grants’ program for commercial businesses, with the grant design and proposed costs for a grants program being presented to the Project Board. Work on this activity was postponed from 2012 to 2013.

2013 Resource Recovery Project Budget 2013 Policy Evaluations

Two policy evaluations will take place in 2013. Both evaluations follow from the development and approval of the 2013 – 2015 Processing Agreement, and contribute to the analysis of how the Counties should continue processing waste after 2015. The first is an analysis of waste processing technologies other than production of refuse-derived-fuel (RDF). The second is evaluation of the potential purchase of the Facility in Newport.

1. **Evaluation: Technology Options Analysis**

This evaluation was requested by the Project Board at its August meeting, during discussions about the 2013-2015 Processing Agreement. The Project has previously researched alternate technologies three times since 2000:

1. Research Study of Alternative Waste Processing Technologies, April 2000
2. Research Feasibility of Dedicated Combustion Facility, April 2000
3. Updated Research Study of Gasification, Plasma, Ethanol and Anaerobic Digestion Waste Processing Technologies, May 2008

In 2013 staff are proposing a three-part analysis, to be conducted primarily by Foth, with support from Stoel-Rives and the financial advisor. The work is outlined below:

Product: Written *Technology Analysis* report with the information prepared in the tasks below

Task: Technology Scan - General scan of existing and emerging technologies for processing waste, with a high-level feasibility study to discern which technologies may realistically work in the East Metro. This is a review of the processes, vendors, projects and environmental performance for selected emerging technologies. These include gasification, pyrolysis, mass-burn, plasma arc, anaerobic digestion, and mixed waste processing to recover materials for fuel generation (plastics) and recycling. The level of effort for this work is similar to that performed for the Research conducted in 2008.

Task: Detailed Analysis - This will include a detailed analysis of those technologies most likely to fit the East Metro area. This work will be an in-depth review of these technologies, possibly site-visits, and evaluation of the applicability of the technology to Ramsey and Washington Counties. The level of effort for this work is more involved, and is similar to the work performed to evaluate development of an RDF Facility at Rock-Tenn (July 2006) or to analyze Anaerobic Digestion (June 2009).

Task: Comparative Analysis –The comparative analysis will examine the technical, policy, legal, permitting, siting, reliability and financial issues and compare the technologies evaluated in the previous task with landfilling and RDF production.

2. Evaluation: Future of Processing and Potential Purchase of the Resource Recovery Facility

This evaluation is an outgrowth of the Option to Purchase provisions in the 2013 – 2015 Processing Agreement, and consists of two parts. The first is an obligation of both the Counties and RRT within the new agreement to establish a purchase price by December 31, 2013. The second is a policy analysis leading to a decision point in 2015 about the future of waste processing.

A. Establishing a Purchase Price – The purpose of this process is to establish a purchase price, so that the Counties would know their costs before they make any decisions about purchase of the Facility. The 2013 – 2015 Processing Agreement sets up a two-step process, with good faith negotiations attempting to establish a price by March 31, 2013. If that effort fails, the binding arbitration would be used to establish a price by the end of the year. The 2013 budget contains funding to support these activities

- 1) Securing an appraisal of the process;
- 2) Good faith negotiations with RRT; and
- 3) Arbitration process, if necessary.

Stoel-Rives will be the lead entity working on this project, with some support from Foth and the financial advisor. County staff and attorneys will be working on this as well.

B. Policy Analysis

This will be a two-phased process leading to two decision points related to acquiring the Facility, as follows:

Phase 1: 2012 – 2013 - Preliminary analysis, leading to a

Decision point (likely in late 2013/early 2014): *Should the Counties proceed to further evaluate purchase of the facility, gather more information, and conduct analysis sufficient to make a decision?*

Phase 2: 2014 - Detailed analysis and more specific analyses, leading to a

Decision point (Likely late in 2014/early 2015): *Should the Counties exercise their option to purchase the facility, continue to contract with a private facility operator, or pursue other processing alternatives?*

Details for Phase 1 are provided below:

Phase 1: Information gathering and preliminary waste processing analysis

- **Overarching Policy Issues** –
 - **Product:** A white paper that outlines a decision tree, frames the policy questions, begins to outline answers and options

- **Task** - Scope the overarching policy issues, confirm the issues with Project Board members, identify information needs
- **Technical Status of the RRT Facility**
 - **Product:** A written report that documents the current status of the Facility in Newport and the two Xcel plants and reports on their condition. For the Newport Facility, it is to include a review of permits and regulatory requirements, general status of processing equipment, buildings and facilities, mobile equipment, and performance metrics. Foth will be the lead entity in conducting this work.
 - **Task** – Evaluate the current technical status of Facility in Newport and associated Xcel combustion facilities
- **Policy Issues Related to County Purchase of Facility**
 - **Product:** Written report with a chapter for each of the tasks below
 - **Tasks**
 - Alternatives to ownership and risk analysis; a review of benefits and risks associated with public vs. private ownership
 - Governance structures available to the Counties with analysis; an investigation into governance options, processes to implement and consequences associated with each
 - Analysis of planning requirements associated with public ownership, including identifying changes needed to Master Plans and Designation Plans
 - Waste Assurance: Analysis of federal court decisions and effect on public ownership; analysis of waste assurance alternatives including flow control
 - **Product:** Written report that outlines financial issues associated with the option to purchase
 - **Task:** General financial analysis
 - Options for financing facility purchase, with analysis of the pros/cons, and implementation steps and a timeline
 - Operating cost Projections
 - Options to finance operating costs
 - Capital analysis and facility maintenance/improvement costs
- **Facility Operational Issues**
 - **Product:** Written report on operational issues related to public ownership and operation
 - **Task:** General overview of Operational issues

- Scope of operations – an outline of all operational issues associated with the Facility
- Labor – Outline of alternatives available to the Counties for the facility, including public employees, private contract(s)
- Operating agreements

Decision point 1 - (Likely at the end of 2013 or early 2014): *Should the Counties proceed to further evaluate purchase of the facility, gather more information, and conduct analysis sufficient to make a decision?*

Phase 2: Detailed analysis and more specific analyses (2014)

The work in this phase is dependent on the work performed in the first phase. This phase is intended to gather the detailed information needed to make a decision regarding the future of processing, and whether to purchase the Facility. With regard to Facility purchase, this would be the “due-diligence” phase. The following categories are likely to be included.

- **Transaction Issues**
- **Legal issues**
- **Financial issues**
- **Facility Operational Issues**

Decision point: *Should the Counties exercise their option to purchase the facility?*

RESOURCE RECOVERY PROJECT 2013 BUDGET REQUEST

		2011	2012	2013	2013	2013
		Project Board	Project Board	Joint Staff	Budget committee	PROJECT BOARD
Program: Project Management		<u>Actual Expenses</u>	<u>APPROVED</u>	<u>RECOMMENDATION</u>	<u>RECOMMENDATION</u>	<u>RECOMMENDATION</u>
<p>This Program includes expenses associated with managing the Resource Recovery Project and the Processing Agreement with RRT.</p>						
421102	STATE AUDITOR	5,133	4,920	5,200	5,200	
<p>The Project Board is required to have the State of Minnesota audit Project records. Estimate is from Ramsey County Budgeting & Accounting.</p>						
421208	COUNTY ATTORNEY SERVICES	7,467	10,000	20,000	20,000	
<p>The Project Board continues to receive services from Ramsey and Washington County Attorney's Office. As the 2013 - 2015 Processing Agreement is implemented, and the policy evaluation proceeds, as well as the process for establishing a purchase price, there is a continuing need for County Attorney services to work on issues related to those agreements, as well as regional work and work on other planning and policy matters. In addition, there is the need for coordinated legal discussions dealing with ordinance and contract issues, such as the hauler rebate, waste deliveries, etc.</p>						
421501	CONSULTING SERVICES	1,285	1,500	1,500	1,500	
<p>Computer Consultant: The Project currently contracts with an information systems consultant, Superior Consulting, to assist the Project in programming services used to process invoices from RRT, and to manage the Hauler Rebate Program. The amount proposed in 2013 is \$1,500, which is the same amount budgeted in 2012.</p>						
421502	ENGINEERING SERVICES	89,826	95,000	50,000	50,000	
<p>Engineering Consultant: Foth is the Project Board's technical and engineering advisor. The scope of engineering services for 2013 will include monitoring of waste deliveries pursuant to RRT's waste delivery agreements; assisting in Hauler Rebate compliance; assisting in monitoring the Processing Agreement with RRT; conducting a Newport Facility site inspection and spot checks for waste origin; conducting site visits to the Xcel combustion facilities; serving as a liaison with waste haulers for the Project; providing recommendations on the management of certain waste streams including construction and demolition and industrial waste and organic waste, continuing to evaluate market issues related to the merchant approach; monitoring progress in meeting processing goals; assisting on regional and county planning issues; and continued work on organic waste management. In addition, there are specific tasks associated with the evaluation of alternatives, the appraisal and process to establish a purchase price, and the evaluation of potential purchase of the Facility. The budgeted amount for the on-going work is \$50,000; the amount related to the evaluation of alternatives is \$155,000; the amount related to and potential purchase evaluation is \$120,000.</p>						

421511 COUNTY PROJECT MANAGEMENT SERVICES	269,117	243,153	250,471	250,471
<p>The Joint Powers Agreement provides that the Project does not have its own staff, but that staff are provided by Ramsey County, and that the Project will pay for staffing costs. In addition, other Ramsey and Washington County staff costs associated with Public Health, Budgeting and Accounting, Information Services and Contract Services are to be paid for services provided. This line item includes costs for support staff to the Project and Project Management costs, as well as rent and other overhead costs.</p> <p>Line Items that had previously been included separately in the Project Budget, but are now included in this single line item include: Personnel Costs; Budgeting and Accounting Services (421511); Data Processing Services - Other (421401); Data Processing Services - Mtce (421402); Purchasing (421512); Microfilm/Microfiche Processing (421520); Printing/Stationary (421603); Postage (421701); Telephone - Local Service (421707); Buildings and Office Space (422402); Employee Development (423111); Workers Compensation Insurance (424103); Conference and Seminar Expenses (424303); Mileage/Parking (424501); Messenger Service (424507); Office Supplies (431101); Software (432202); Data Processing Equipment (441211)</p>				
423309 RECORDS STORAGE/RETRIEVAL FEES	204	500	500	500
<p>The Project processes and disseminates large amounts of electronic data which is backed up by Business Data Records for protection of historical backup tapes and disks.</p>				
424107 LIABILITY & PROPERTY DAMAGE	18,128	25,664	14,205	14,205
<p>On May 28, 1998, the Project Board approved the purchase of tort liability insurance from the Minnesota Counties Insurance Trust in addition to its self insurance fund accumulation of \$600,000. This amount is provided by MCIT.</p>				
424302 MEMBERSHIP & DUES	750	750	750	750
<p>Minnesota Resource Recovery Association: \$750</p>				
424304 OTHER TRAVEL	0	3,000	10,000	10,000
<p>Funds may be used by Commissioners and Joint Staff for travel to resource recovery facilities to examine alternate technologies or methods, or conferences and seminars that pertain to the future of waste processing.</p>				
424306 MEETING EXPENSES ACCOUNT	37	300	300	300
<p>meetings called by the Joint Staff Committee.</p>				
424601 OTHER SERVICES	0	0	10,000	10,000
<p>Most services for Project work in 2013 are included in other line items. Funds are placed in this line item as a contingency for outside services that may be needed for various projects. Consultant work on institutional organic waste management was previously budgeted in this line item; that funding now appears in the Program for Organic Waste Management</p>				
TOTAL PROJECT MANAGEMENT EXPENSES	2011	2012	2013 JSC	2013 BUD. COMM
	\$391,946	\$384,787	\$362,926	\$362,926
				2013 PROJ. BD.

PROGRAM: ORGANIC WASTE MANAGEMENT

This program includes funding for the variety of activities that the Project initiated in 2011, following a year-long policy evaluation of organic waste management. The work includes education, consultation and technical assistance; evaluation and recommendations to address collection efficiencies; evaluation of a starter-grants program; and funding for food rescue.

	2011 Project Board <u>Actual Expenses</u>	2012 Project Board <u>APPROVED</u>	2013 Joint Staff <u>RECOMMENDATION</u>	2013 Budget committee <u>RECOMMENDATION</u>	2013 PROJECT BOARD <u>RECOMMENDATION</u>
421501 CONSULTING SERVICES	0	305,000	330,000	330,000	
Web Design and Marketing Consultant		65,000	60,000		
During 2012 the Project has been designing, and will soon launch, a new web site at www.lesstrash.com , which will service as a resource to non-residential generators in the East Metro area on management of organics and recycling. In 2013 the Project will continue work on the web site to include 1) site maintenance and updating content, 2) expanding the site to include tools targeted at specific sectors for organics management, 3) expand the site to include broader and deeper information about non-residential recycling, and 4) explore a social media component for businesses. Risdall is the consulting firm that was selected through a procurement process in 2012, and will continue this work, for a total not to exceed \$60,000, for both web work and marketing work. The 2012 contract amount was \$45,000; an additional \$20,000 was budgeted for social marketing services, but a contract was not developed for that amount in 2012.					
Institutional Technical Assistance and Consulting on Organic Waste		80,000	80,000		
JL Taitt and Associates provides technical assistance and consultation services for institutional generators of organic waste, such as school districts, hospitals, nursing homes, alternative care facilities, and colleges/universities. Staff recommend that this firm continue to be retained to work on management of organic waste with these generators, in an amount not to exceed \$80,000, which is the same amount as 2012.					
Minnesota Waste Wise		80,000	90,000		
Waste Wise is a non-profit subsidiary of the Minnesota Chamber of Commerce that delivers strategic environmental consulting to businesses. In 2012 the Project retained Waste Wise to provide direct consultation to businesses. Staff recommend continuing to contract with Waste Wise in 2013, with an increase from \$80,000 to \$90,000; the additional funding will provided additional staffing to assist businesses in realizing cost savings.					
MnTAP Consulting Assistance		80,000	80,000		
In 2012 the Project contracted with the Minnesota Technical Assistance Program (MnTAP) for research and outreach on organic waste. Two projects were completed, one with a food processor (Land-o-Lakes) and the second with a number of restaurants. Based on the research, the Project will contract with MnTAP again in 2013, this time with MnTAP retaining an employee dedicated to working with food processors and certain institutional organic waste generators.					
Graphic Design Consultant		0	20,000		
The Project will be producing a variety of materials, both hard copy and electronic, related to its outreach efforts for residential and non-residential waste generators. Funds are budgeted for graphic design services to provide a consistent and quality look to the Projects efforts. A firm would be procured to provide these services, which are proposed not to exceed \$20,000. The Project did not have a graphic designer in 2012, but used the services of a contractor through Ramsey County.					

421602 ADVERTISING AND PROMOTION	0	0	54,000	54,000	
Non-Residential Generators					
The 2013 budget contains funding to maintain communication with the public on solid waste issues. There are two broad categories for outreach, outreach aimed at residents of the two counties, and specialized outreach to non-residential generators on recycling and organic waste management. For the 2013 outreach to non-residential generators on organic waste management the total is \$54,000.					
In 2011 the Project Board authorized a significant effort to address organic waste management by businesses and institutions. During 2012 tools and services have been developed to reach non-residential waste generators and promote separate management of organic waste and recyclables, in a manner that saves the generators money, and preserves jobs. Part of the overall effort includes outreach and promotion. During 2013 there will be two general categories of outreach. First, all non-residential generators will be contacted by mail and using electronic ads to make them aware of the new BizRecycling web site and resources available to increase recycling. Second, high-volume organic waste generators will be targeted to make them aware of the web site and the services made available by the Project.					
424601 OTHER SERVICES	60,000	80,000	0	0	
Most services for Project work in 2013 are included in other line items. In previous years funds used for consultants on organic waste management were in this line item. They are now in the Consulting Services line item.					
425102 Organic Waste Management	67,431	695,000	580,000	580,000	
Since 2008 the Project has provided funding for Second Harvest Heartland to provide food rescue services at major grocery stores for perishable food, distributing that food to agencies that feed people. This budget includes funding in the amount of \$40,000 to continue that work by Second Harvest Heartland.					
Also included in this line item are funds allocated for the separate management of source separated organic material. Funding for outreach and promotion of Project related services for non-residential generators of organic waste and recycling, as well as technical assistance and consultation is found in other line items of this budget. During 2013 the Project Board will continue to evaluate options to increase the separate management of organic waste. This line item includes funding of any activities related to organic waste management related to addressing waste collection efficiencies (such as organics waste transfer or rebates to haulers of organic waste) and starter grants to stimulate more recovery of organic waste.					
TOTAL ORGANIC WASTE MANAGEMENT EXPENSES	2011	2012	2013 JSC	2013 BUD. COMM	2013 PROJ. BD.
	\$67,431	\$1,080,000	\$964,000	\$964,000	

PROGRAM: GENERAL OUTREACH

This program includes outreach and education activities targeted at waste generators in the two Counties.

	2011 Project Board <u>Actual Expenses</u>	2012 Project Board <u>APPROVED</u>	2013 Joint Staff <u>RECOMMENDATION</u>	2013 Budget committee <u>RECOMMENDATION</u>	2013 PROJECT BOARD <u>RECOMMENDATION</u>
421602 ADVERTISING AND PROMOTION	320,084	302,000	362,500	362,500	
<p>The 2013 budget contains funding to maintain communication with the public on solid waste issues. There are two broad categories for outreach, outreach aimed at residents of the two counties, and specialized outreach to non-residential generators on recycling and organic waste management. The 2013 effort for residential generators is the same level as 2012, and totals \$302,000. For the outreach to non-residential generators on recycling totals \$60,500.</p> <p>Residential Generators For residential generators, the Project has implemented a communication plan over the past several years that uses a variety of outreach tools to reach different audiences. Information provided is focused on action, raising awareness and providing information about "how to." Follow up research has shown that the residential generators appreciate this type of service. General outreach messages in 2013 will include information about recycling, household hazardous waste, yard waste, waste-to-energy, and other ways to manage waste.</p> <p>These messages will be conveyed using two main types of tools, including annual production of a "green guide" for each County, mailed to every household in each County, as well as the use of electronic ads on a variety of web sites. The messages used are designed to coincide with the Solid Waste Management Coordinating Board's campaign. The Project will continue to assist schools and other groups with tours of the Facility; partner with schools in a strategic approach on food waste management opportunities; continue to use Trash Trunks; and joint outreach on household hazardous waste.</p> <p>Non-Residential Generators During 2012 tools and services have been developed to reach non-residential waste generators and promote separate management of organic waste. Outreach on recyclables is closely tied to organics, in that both save the generators money, and preserve jobs. In 2013 outreach to non-residential generators will be expanded to include recycling to all non-residential generators to make them aware of the new BizRecycling web site and resources available to increase recycling. This amount is \$60,500.</p>					
TOTAL GENERAL OUTREACH EXPENSES	\$320,084	\$302,000	\$362,500	\$362,500	2013 PROJ. BD.

PROGRAM: POLICY EVALUATION

This program is a one-time program that is a result of the policies discussions and development of the 2013-2015 Processing Agreement. There are three main categories of work: Evaluation of processing alternatives, establishing a purchase price for the Facility, and evaluation of the future of processing, including purchase of the Facility.

	2011	2012	2013	2013	2013
	Project Board	Project Board	Joint Staff	Budget committee	PROJECT BOARD
	<u>Actual Expenses</u>	<u>APPROVED</u>	<u>RECOMMENDATION</u>	<u>RECOMMENDATION</u>	<u>RECOMMENDATION</u>
421201 LEGAL SERVICES	13,310	160,000	189,000	189,000	
<p>In 2013 the Project's attention will focus on the policy issues related to the future of processing, as well those related to the option to purchase language in the new Processing Agreement, including establishing a purchase price. Outside legal assistance will be needed for work on the Processing Agreement as well as completing the appraisal of the Facility. In addition, there may be legal review of issues related to the various court decisions on waste management. The Project will continue to contract with Stoel Rives, LLC for Kevin Johnson's work. The work can be divided into two categories: Assistance in managing the appraisal process (\$108,000) and assistance in the Option to Purchase analysis (\$81,000).</p>					
421501 CONSULTING SERVICES	0	0	85,000	85,000	
<p>Financial Advisor</p> <p>Included in the evaluation of processing alternatives and the potential purchase of the facility is a need for financial analysis. This includes review of issues that arise in the appraisal, evaluating options for financing, reviewing operating cost issues, and assistance on cost projections. In the past the Project retained a financial advisor (Springsted, Inc.), but has not had a contract since the current Processing Agreement (2007 - 2012) was put into place. A new advisor would be selected following a procurement process. The amount recommended is \$40,000.</p>					
<p>Communications Consultant</p> <p>As the Project examines alternatives to processing or possible purchase of the facility, it will be important to communicate with waste haulers, municipalities and the public. Similar communications occurred when the Project worked on the energy issue with Rock Tenn. It is recommended that the Project retain services to assist with this communication. Staff recommend \$45,000 for this work.</p>					

421502 ENGINEERING SERVICES	0	0	275,000	275,000
Engineering Consultant: Foth is the Project Board's technical and engineering advisor. The scope of engineering services for 2013 will include monitoring of waste deliveries pursuant to RRT's waste delivery agreements; assisting in Hauler Rebate compliance; assisting in monitoring the Processing Agreement with RRT; conducting a Newport Facility site inspection and spot checks for waste origin; conducting site visits to the Xcel combustion facilities; serving as a liaison with waste haulers for the Project; providing recommendations on the management of certain waste streams including construction and demolition and industrial waste and organic waste, continuing to evaluate market issues related to the merchant approach; monitoring progress in meeting processing goals; assisting on regional and county planning issues; and continued work on organic waste management. In addition, there are specific tasks associated with the evaluation of alternatives, the appraisal and process to establish a purchase price, and the evaluation of potential purchase of the Facility. The budgeted amount for the on-going work is \$50,000; the amount related to the evaluation of alternatives is \$155,000; the amount related to and potential purchase evaluation is \$120,000.				
424601 OTHER SERVICES	0	0	40,000	40,000
In the event other services are needed during the policy evaluation, funds are included in this line item as a contingency.				
TOTAL POLICY EVALUATION EXPENSES				
	2011	2012	2013 JSC	2013 BUD. COMM
	\$13,310	\$160,000	\$589,000	\$589,000
			2013 PROJ. BD.	

PROGRAM: RESOURCE RECOVERY

This program provides funding for the processing of waste at the Facility in Newport, and in 2013 includes funding for hauler rebates.

TITLE OF ACCOUNT AND EXPLANATION

422306 PROCESSING PAYMENT	4,547,840	3,370,000	0	0	
Under the new 2013 - 2015 Processing Agreement there is no longer a processing payment made directly to RRT.					
424623 REBATES - RESOURCE RECOVERY TIPPING FEES	4,371,069	4,900,000	8,400,000	8,400,000	
The Processing Agreement provides that the Counties will pay a hauler rebate for each ton of waste delivered for processing, at the rate of \$28 per ton in 2013, with total expenses capped at \$8,400,000 per the Processing Agreement with RRT.					

TOTAL PROCESSING EXPENSES

	2011 Project Board <u>Actual Expenses</u>	2012 Project Board <u>APPROVED</u>	2013 Joint Staff <u>RECOMMENDATION</u>	2013 Budget committee <u>RECOMMENDATION</u>	2013 PROJECT BOARD <u>RECOMMENDATION</u>
	2011	2012	2013 JSC	2013 BUD. COMM	2013 PROJ. BD.
	\$8,918,909	\$8,270,000	\$8,400,000	\$8,400,000	

EXPENSE SUMMARY

<u>TITLE OF PROGRAM</u>	2011 Project Board <u>Actual Expenses</u>	2012 Project Board <u>APPROVED</u>	2013 Joint Staff <u>RECOMMENDATION</u>	2013 Budget committee <u>RECOMMENDATION</u>	2013 PROJECT BOARD <u>RECOMMENDATION</u>
PROJECT MANAGEMENT	391,946	384,787	362,926	362,926	
ORGANIC WASTE MANAGEMENT	67,431	1,080,000	964,000	964,000	
GENERAL OUTRECH	320,084	302,000	362,500	362,500	
POLICY EVALUATION	13,310	160,000	589,000	589,000	
RESOURCE RECOVERY	8,918,909	8,270,000	8,400,000	8,400,000	
Refunds & Reimbursement Clearing					
TOTAL PROJECT BOARD BUDGET:	9,711,680	10,196,787	10,678,426	10,678,426	

REVENUE SUMMARY

<u>INTERGOVERNMENTAL REVENUE</u>	2011 Project Board <u>Actual Expenses</u>	2012 Project Board <u>APPROVED</u>	2013 Joint Staff <u>RECOMMENDATION</u>	2013 Budget committee <u>RECOMMENDATION</u>	2013 PROJECT BOARD <u>RECOMMENDATION</u>
314103 Other Participation (Washington County)	2,531,932	2,749,082	2,720,095	2,720,095	
PERA Rate Increase Aid	0	0			
319110 Ramsey County Participation	6,845,594	7,432,705	7,354,331	7,354,331	
REVENUE FROM USE OF MONEY & PROPERTY	0	0			
318102 Interest on Investments	1,445	15,000	15000	15,000	
OTHER REVENUES					
319102 Recovery Prior Years Expenses	0	0	0	0	
319103 Recoveries of Expenses					
319105 Insurance Dividends	20,255	0	0	0	
Resource Recovery Project Board Fund Balance	0	0	589,000	589,000	
TOTAL REVENUE:	9,399,226	10,196,787	10,678,426	10,678,426	

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 and overseeing other joint solid waste activities; and

WHEREAS, The Joint Powers Agreement for the Resource Recovery Project provides that authority for approval of Resource Recovery Project budgets remains with the respective County Boards; and

WHEREAS, The Joint Powers Agreement provides that the Executive Committee of the Project is authorized to execute contracts approved in the Project budget in accordance with Section 1V.B of the Joint Powers Agreement for the Resource Recovery Project; and

WHEREAS, The Ramsey/Washington County Resource Recovery Project Board Budget Committee has prepared and recommended a Project budget for 2013. NOW, THEREFORE BE IT

RESOLVED, The Ramsey/Washington County Resource Recovery Project Board hereby approves and recommends that the Ramsey and Washington County Boards approve the 2013 Resource Recovery Project Budget as recommended by the Resource Recovery Project Board Budget Committee as follows:

Expenses	
Project Management	\$ 362,926
Organic Waste Management	964,000
General Outreach	362,500
Policy Evaluation	589,000
<u>Resource Recovery</u>	<u>8,400,000</u>
	\$10,678,426
Revenues	
Washington County Participation	\$ 2,720,095
Ramsey County Participation	7,354,331
Interest Income	15,000
<u>Resource Recovery Fund Balance</u>	<u>\$ 589,000</u>
	\$10,678,426

BE IT FURTHER

RESOLVED, The Ramsey/Washington County Resource Recovery Project Board hereby authorizes the Executive Committee of the Project Board, subsequent to a procurement process, to select a financial advisor and a communications specialist to assist in policy evaluation efforts, and to approve contracts for 2013 with the selected entities.

Dennis Hegberg, Chair
Ramsey/Washington County Resource Recovery Project Board

October 18, 2012