

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**

DATE: October 31, 2013

TIME: 9:00 am

PLACE: **NOTE MEETING LOCATION**
Minnesota Counties Insurance Trust (MCIT) Building
100 Empire Drive
Saint Paul, MN

AGENDA:

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES – July 25, 2013**
- IV. BUSINESS (Organized by Program Area)**
 - A. Project Management**
 1. 2013 YTD Report on Budget Activity Information
 - B. Policy Evaluation – Future of Waste processing**
 1. Revised 2013 - 2014 process and timeline Documents Information
 2. Solid Waste System Data: History and Projections Information
 3. Technical Status of Facilities Report Information
 4. Amendment to Agreement with Stoel-Rives Action
 - C. East Metro Organic Waste and Recycling**
 1. East Metro Organics and Recycling – 2013 Status Report Information
 2. Recycling and Organic Waste Grants for Businesses Action
 - D. Updates**
- V. OTHER BUSINESS**

**RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD
JULY 25, 2013
MINUTES**

A meeting of the Ramsey/Washington County Resource Recovery Project was held at 9:00 a.m., July 25, 2013 at the Saint Paul - Ramsey County Public Health, Environmental Health Section, in Maplewood, Minnesota.

MEMBERS PRESENT

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

MEMBERS ABSENT

Commissioner Janice Rettman – Ramsey County

ALSO ATTENDING

Pete Barthold, Mary Elizabeth Berglund, Gary Bruns, Jill Curran, Barry Fick, Rob Friend, Chris Gondeck, Zack Hansen, Sam Hanson, Curt Hartog, Judy Hunter, Julie Ketchum, Curtis Johnson, Kevin Johnson, Roel Ronken, Randy Kiser, Dan Krivit, Sue Kuss, Peder Sandhei, Norm Schiferl, Katie Shaw, Warren Shuros, Ryan Tritz

APPROVAL OF AGENDA

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

Roll Call: Ayes – 6 Nays – 0 Motion Carried.

APPROVAL OF THE JANUARY 24, 2013 MINUTES

Commissioner Huffman moved, seconded by Commissioner Lehrke, to approve the minutes.

Roll Call: Ayes – 6 Nays – 0 Motion Carried.

Introductions were made.

PROGRAM MANAGEMENT

2013 YTD Report on Budget Activity

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

Commissioner Carter arrived.

2014 – 2015 Project Budget

Commissioner Huffman approved, seconded by Commissioner Lehrke, that the Ramsey/Washington County Resource Recovery Project Board hereby approves and recommends that the Ramsey and Washington County Boards approve the 2014 – 2015 Resource Recovery Project Budget as recommended by the Resource Recovery Project Board Budget Committee as follows:

Expenses	2014	2015
Project Management	\$492,546	\$495,774
Organic Waste Management	\$1,030,000	\$1,030,000
General Outreach	\$306,500	\$306,500
Policy Evaluation	\$805,000	\$0
Resource Recovery	\$8,400,000	\$8,400,000
	\$11,034,046	\$10,232,274

Revenues	2014	2015
Washington County Participation	\$2,783,492	\$2,784,229
Ramsey County Participation	\$7,440,554	\$7,442,545
Interest Income	\$5,000	\$5,500
Resource Recovery Fund Balance	\$805,000	\$0
	\$11,034,046	\$10,232,274

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

Commissioner Ortega arrived.

POLICY EVALUATION – FUTURE OF WASTE PROCESSING

Review of 2013 Process & timeline

Zack Hansen said this is significant policy work for the two counties. It is important to note that there is six key points.

1. Waste is complex. There are many types of waste and how it is handled has environmental and public health consequences.
2. Waste is inefficiency: reducing waste in our communities and recovering resources can help the East Metro area be more competitive and resilient.
3. The system is accountable, primarily through solid waste master plans.
4. An effective and integrated waste management system is working in the East Metro area.
5. Reducing risk to health and the environment is a key element of the system.
6. The system is operated by a combination of private sector and public sector participants.

The policy evaluation is a two phased process leading to two decision points related to acquiring the facility. Phase 1 (2013) - Staff are gathering information at a general level which will lead to a decision point in late 2013 or early 2014 addressing this question: should the Counties proceed after 2014 to further evaluate the purchase of the facility and conduct analysis sufficient to make a final decision?

In 2014, if the decision is to proceed to evaluate, there are four options that could be decided on.

1. Purchase of the facility
2. Continue status quo

3. Develop new technology at a new site
4. Stop the support for processing; allow the RRT agreement to expire; and move forward and look at solid waste management in another prospective

The work being done in 2013 is an analysis of waste processing technologies beyond refuse derived fuel. There are three parts to this analysis:

1. Scan of technologies
2. Detailed analysis
3. Comparative analysis

Foth Environmental & Infrastructure will produce a report that documents the current status and condition of the Newport Facility and the two Xcel power plants. The Newport Facility review will include a review of permits and regulatory requirements, general status of processing equipment, buildings and facilities, mobile equipment and performance metrics.

The following are focused on the potential purchase of the facility:

- ownership
 - risks associated with public-private ownership
- governance
 - should the Counties decide to proceed to purchase, what governance structure would be most appropriate
- planning requirements
 - designation planning
 - waste flow
 - permitting
 - zoning
- waste assurance
 - flow control
- finance
 - options for financing facility purchase
- operational issues
 - scope of operations
 - labor

Mr. Hansen asked for feedback from the Project Board.

Commissioner Kriesel said he wants to ensure the framework reflects the following options:

1. purchase of the facility
2. continue to contract with private facility operators
3. pursue other processing alternatives

Commissioner Ortega questioned asked staff to put the timeline and key decisions in more of a work flow format.

Status of Establishing a Purchase Price

Kevin Johnson, Stoel Rives LLC, updated the Project Board regarding the status of establishing a purchase price of the facility. The purpose of establishing a purchase price up front is so the Counties will know their costs before any decisions are made about the purchase of the facility. He went through the provisions in Article 9 - Option to Purchase of the Solid Waste Processing Agreement between the Counties and RRT.

Mr. Johnson said that in Section 9.03 B – Should RRT and the Counties not arrive at a negotiated Option Purchase Price by March 31, 2013, the parties shall initiate binding arbitration to establish the Option Purchase Price by December 31, 2013. He said that they did have negotiations and an agreement was not reached. So now the Counties and RRT are in the arbitration process.

Discussion took place regarding Minn. Stat. Section 473.848. Commissioner Kriesel stated that he would like to know the MPCA's specific strategies and timeline for enforcement and ramifications for non-compliance and that the board should consider action for this.

Commissioner Kriesel approved, seconded by Commissioner Huffman that the Ramsey/Washington County Resource Recovery Project Board directed the Chair to inquire about the Minnesota Pollution Control Agency's (MPCA's) process and progress in obtaining compliance with Minn. Stat. Section 473.848.

Roll Call: Ayes – 8 Nays – 0 Motion Carried.

Alternative Technologies for MSW

Warren Shuros, Foth Infrastructure & Environment, LLC, presented to the Board the Alternative Technologies for MSW. In September 2013, Foth will be doing a preliminary technical review of the Newport and Xcel combustion facilities.

The alternative technologies covers:

- Gasification – thermal process converts MSW to synthetic gas.
 - Pros
 - Fuels production may be economically superior to electrical production
 - Recycling enhanced by up-front sorting
 - Efficient energy production
 - Cons
 - Unproven commercial scale for MSW in US
 - Requires MSW pre-processing
 - Permitting – no clear path
- Pyrolysis – this technology has not advanced in the US over the years. Not viable to consider further at this time.
- Plasma Arc – very high temperatures breaks down solid waste into basic elemental compounds.
 - Pros
 - Superior thermal destruction
 - Limited pollution
 - Potential to expand to include other non-MSW streams such as hazardous materials
 - Cons
 - Not proven for MSW in US
 - High initial capital cost

- Requires extensive pre-processing
 - High power requirements
- Mass Burn – process that burns MSW in a combustion chamber, without pre-processing and recovers heat energy.
 - Pros
 - Proven technology
 - Proven capital & operating costs
 - Capable of processing Ramsey/Washington Counties waste not reduced, reused, recycled or otherwise handled
 - Financially stable vendors
 - Compliant air emissions
 - Cons
 - Public opposition makes siting & permitting a new facility difficult
 - Some concern to size & long-term commitment to single facility approach
- Anaerobic Digestion – process that decomposes organic portion of MSW in absence of oxygen producing methane and digestate.
 - Pros
 - Well understood process in sewage/manure
 - Can be combined with other technologies
 - Marketable end product
 - Contributes to GHG reduction
 - Cons
 - Not widely proven for MSW in US, but facilities being developed
 - Requires either source separation/collection or processing MSW to remove organics
 - Anaerobic Digestion bacteria have specific requirements and may need a consistent feedstock
 - Odor control required
- Mixed Waste Processing – purpose is to separate and remove recyclables such as paper, metals, plastics, wood, & organics from MSW. Can be combined with RDF, Anaerobic Digestion & plastics to fuel facilities.
 - Pros
 - Can be added to the front end of other technologies
 - Can be flexible to adapt to material market changes
 - Can focus on specific waste streams to achieve higher recovery
 - May reduce need for separate collection for targeted generators
 - Cons
 - Not appropriate for entire waste stream or as a stand-alone facility for Ramsey & Washington Counties
 - Quality of recyclables may be lower than source-separated programs
- Plastics to Fuel- process using heat and distillation to convert various plastics into oil or more refined fuels.

The next steps will be an in-depth review of mixed waste processing, mass burn, RDF, anaerobic digestion, plastics to fuel and gasification. Foth is looking at how this can be applied to the Ramsey & Washington County waste stream.

Commissioner Kriesel questioned if there was a Plan B if something happened to the Red Wing or Wilmarth facilities.

Mr. Shuros stated that Foth is looking at the status and the condition of the Red Wing and Wilmarth plants. He will report back to the Project Board in September on what their status is and long-term plans are.

ORGANIC WASTE MANAGEMENT

2013 Progress Report

Judy Hunter said that another major effort that the Counties have been working on jointly is organics focusing on businesses. The work in 2013 has expanded to recycling. Staff have been marketing this with the BizRecycling website. The url is lesstrash.com. Tools such as calculators, video and mapping features have been included in the website. Staff have also set up a Twitter account as a social media strategy. The website design has also been changed to fit with mobile applications.

Because the website is relatively new, and promotional efforts are just rolling out, the evaluation of metrics are not significant. So far in 2013:

- 412 people have visited the site 827 times
- 50% were new users
- Average time spent on the site was almost 9 minutes
- Each visitor looked at an average of ten pages
- 79% of visitors directly entered the site by typing in lesstrash.com; 10% resulted from a search such as Google; and 11% were referred, linking from another site.

Strategy for Transportation Efficiency and Starter Grants Concept

Judy Hunter stated that the Counties have been trying to address a variety of financial interventions to increase the recovery of organic waste. During 2013, the Project became aware of other options, and began to float these concepts with the industry, to determine if there were alternatives to providing transfer capacity to address route density issues.

Staff and consultants believe the Project should rule out subsidized transfer capacity as well as on-going rebates directly to waste generators. Two concepts deserve further development: one would be rebates for organic waste collectors, similar to the rebates currently provided to waste haulers that deliver waste at the Newport Facility. The second is a form of a start-up grant, which would provide one-time funding directly for businesses that begin organic waste recycling to cover the first three months of service.

Staff would like to develop one or both of these alternatives and bring back to the Board an implementation plan for consideration at the September meeting.

Commissioner Bearth approved, seconded by Commissioner Huffman, that the Project Board hereby directs staff to prepare implementation plans and materials to address organic waste collection and transportation efficiency, either through hauler rebates or generator incentive grants, and also for targeted grants to non-residential waste generators, and to bring those plans back to the Project Board for consideration at the September 2013 meeting of the Project Board.

Roll Call: Ayes – 8 Nays – 0 Motion Carried.

RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT BOARD MINUTES
JULY 25, 2013

UPDATES

The next Project Board meeting is scheduled for September 26, 2013.

ADJOURNMENT

Chair Reinhardt adjourned the meeting.

Approved:

Commissioner Victoria Reinhardt, Chair



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

Project Board Meeting Date: <u>10/31/2013</u>	AGENDA ITEM: <u>A-1</u>
SUBJECT: <u>Report of Budget Activity</u>	
TYPE OF ITEM: <input checked="" type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input type="checkbox"/> Action	
Submitted By: <u>Joint Staff Committee</u>	

PROJECT BOARD ACTION REQUESTED: For information only.

EXECUTIVE SUMMARY:

The Resource Recovery Project Board requires that all invoice payments and Budget Adjustments be submitted for review.

ATTACHMENTS:

1. 2013 Resource Recovery Project Budget and YTD Actual Expenditures

SUBJECT: Report of Budget Activity

FINANCIAL IMPLICATIONS:

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	October 18, 2013
Ramsey County Attorney	Date
Washington County Attorney	Date
Ramsey County Department of Finance	Date
	October 21, 2013
Other	Date

RESOURCE RECOVERY PROJECT 2013 BUDGET & YTD ACTUALS

Program: Project Management

This Program includes expenses associated with managing the Resource Recovery Project and the Processing Agreement with RRT.

		<u>2013 Budget</u>	<u>2013 Actuals to Date</u>
421102	State Auditor	5,200	5,350
421208	County Attorney Services	20,000	9,677
421501	Consulting Services	1,500	-
421502	Engineering Services	50,000	39,617
421511	County Project Management Services	250,471	83,252
423309	Records Storage/Retrieval Fee	500	134
424107	Liability & Property Damage	14,205	14,205
424302	Membership & Dues	750	750
424304	Other Travel	10,000	-
424306	Meeting Expenses Account	300	126
424601	Other Services	10,000	-
	TOTAL PROJECT MANAGEMENT EXPENSES	<u>362,926</u>	<u>153,111</u>

RESOURCE RECOVERY PROJECT 2013 BUDGET & YTD ACTUALS

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.

	2013 <u>Budget</u>	2013 <u>Actuals to Date</u>
421501 Consulting Services	330,000	198,811
421502 Engineering Services		12,335
421602 Advertising & Promotion	54,000	45,482
424601 Other Services	-	
425102 Organic Waste Management	580,000	40,000
TOTAL ORGANIC WASTE MANAGEMENT EXPENSES	964,000	296,628

PROGRAM: GENERAL OUTREACH

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

	2013 <u>Budget</u>	2013 <u>Actuals to Date</u>
421602 Advertising & Promotion	362,500	166,769
TOTAL GENERAL OUTREACH EXPENSES	362,500	166,769

RESOURCE RECOVERY PROJECT 2013 BUDGET & YTD ACTUALS

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.

	<u>2013 Budget</u>	<u>2013 Actuals to Date</u>
421201 Legal Services	189,000	136,171
421501 Consulting Services	85,000	-
421502 Engineering Services	275,000	118,029
424601 Other Services	40,000	-
TOTAL POLICY EVALUATION EXPENSES	589,000	254,200

PROGRAM: RESOURCE RECOVERY

This program provides funding for hauler rebates.

	<u>2013 Budget</u>	<u>2013 Actuals to Date</u>
424623 Rebates - Resource Recovery Tipping Fees	8,400,000	5,770,152
TOTAL PROCESSING EXPENSES	8,400,000	5,770,152

EXPENSE SUMMARY

<u>TITLE OF PROGRAM</u>	<u>2013 Budget</u>	<u>2013 Actuals to Date</u>
PROJECT MANAGEMENT	362,926	153,111
ORGANIC WASTE MANAGEMENT	964,000	296,628
GENERAL OUTREACH	362,500	166,769
POLICY EVALUATION	589,000	254,200
RESOURCE RECOVERY	8,400,000	5,770,152
TOTAL PROJECT BOARD BUDGET:	10,678,426	6,640,859

RESOURCE RECOVERY PROJECT 2013 BUDGET & YTD ACTUALS

REVENUE SUMMARY

	<u>2013 Budget</u>	<u>2013 Actuals to Date</u>
<u>INTERGOVERNMENTAL REVENUE</u>		
314103 Other Participation (Washington County)	2,720,095	342,034
319110 Ramsey County Participation	7,354,331	924,759
318102 Interest on Investments	15,000	1,492
319105 Insurance Dividends	-	-
Resource Recovery Project Board Fund Balance	589,000	249,713
TOTAL REVENUE:	<u>10,678,426</u>	<u>1,517,998</u>



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

PROJECT BOARD MEETING DATE: <u>10/31/2013</u>	AGENDA ITEM: <u>B-1</u>
SUBJECT: <u>Policy Evaluation: Revised Process and Timeline Documents</u>	
TYPE OF ITEM: <input checked="" type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input type="checkbox"/> Action	
SUBMITTED BY: <u>Joint Staff Committee</u>	

PROJECT BOARD ACTION REQUESTED: For information only.

EXECUTIVE SUMMARY:

The Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, consisting of two parts. The first is an obligation of both the Counties and RRT within the Processing Agreement to establish an option 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, and in particular, whether to exercise the option to purchase the facility.

At its July meeting the Project Board discussed the process and timeline, and requested staff to revise the process to include a number of items that were discussed. Specifically, the Board asked that the process be more focused on analysis of the status quo, and that the various options be well considered. The Board also asked for the process to be presented as a timeline, in addition to a flow chart.

Staff have revised the process and workplan, and will present them at the October 31st meeting. This memo describes the revised process.

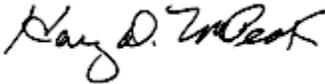
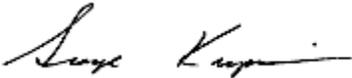
ATTACHMENTS:

1. Memo to Project Board dated October 18, 2013

SUBJECT: Policy Evaluation: Revised Process and Timeline Documents

FINANCIAL IMPLICATIONS: None

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	October 18, 2013
Ramsey County Attorney	Date
	October 18, 2013
Washington County Attorney	Date
	October 18, 2013
Ramsey County Department of Finance	Date
	October 18, 2013
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: Policy Evaluation: Revised Process and Timeline Documents

The Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, consisting of two parts. The first is an obligation of both the Counties and RRT within the Processing Agreement to establish an option 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, and in particular, whether the Counties would exercise their option to purchase the facility.

At its July meeting the Project Board discussed the process for evaluating the future of waste processing, and requested staff to revise the documents and include a number of items that were discussed. Specifically, the Board asked that it is clear that the process includes analysis of a number of options. The Board also asked for the process to be presented as a timeline, in addition to a flow chart.

Staff have revised the documents that describe the evaluation, attached to this memo, and will present them at the October 31st meeting.

Background

Before describing the next steps in evaluating the future of processing, it would be useful to consider how the counties arrived at the current position. As with most issues related to solid waste, it begins with the Counties' respective Solid Waste Management Master Plans. Those Plans establish current county policy related to processing, and govern the evaluation process.

Both County plans state that:

- Processing of MSW is affirmed as part of the solid waste system for waste that is not reduced, recycled or composted, and processing is preferred over landfilling.
- The counties support a merchant approach, in which the financial risks and benefit rest with the private sector.

Revised Process and Timeline

October 2013

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- That the counties seek to eventually eliminate public subsidy, **but** that market forces may require some subsidy.
- That, in the event of market failure to support a merchant approach, the counties will consider specific options in lieu of the merchant approach.

So the first policy question of this process, which was asked and answered in 2012, is this:

Question: Is a merchant approach possible, or is there a determination that the solid waste market will not support a merchant approach?

Answer: A determination has been made, in 2012, that the market has failed, and the Counties need to examine other options.

The issue of the failure of the market to support a merchant approach was heavily documented during the negotiations with RRT during 2012, for extension of the Processing Agreement. As a result of that process, policy direction was taken based on the determination that the market has failed, and a merchant approach is not possible. It is based on this policy direction that the Processing Agreement for 2013-2015 included a provision for the Counties' option to purchase, and the Project embarked on an evaluation of the future of processing during the 2013 -2015 term of the Processing Agreement. Throughout the discussion of the Processing Agreement with the Project Board, it was clear that the current Processing Agreement was assuring that processing would continue while the future of processing was determined, leading to a decision point in 2015.

Therefore, in 2013 – 2014 the Project is implementing the Processing Policy #6 found in their respective Solid Waste Master Plans, which discuss the consequences of market failure to produce a merchant facility:

6. In the event of a failure of the solid waste market to support a merchant approach or other County environmental goals, the County will consider the following actions:
 - a. Seek to acquire the Resource Recovery Facility in Newport, to maintain its operation as a resource recovery facility – this includes consideration of public operation and the use of flow-control; and/or
 - b. Pursuant to action taken following the Public Collection study in 2001-2002, move forward with design of a public collection system for residential and commercial solid waste to achieve environmental goals and protect public health and safety; and
 - c. Intervene in the market and use public funds to encourage processing.

Next Steps

With regard to Master Plan Policy 6 and as part of this evaluation, there are two key questions:

Looking ahead to the future (20-30 years):

1. How should processing of MSW be integrated into the solid waste system in the East Metro area?

This requires projections of waste volume and composition over the next few decades, along with an evaluation of technologies and other system components. Information is being gathered to inform the discussion around this question, including:

- Projections about waste volume and character
- Predictions about system components other than processing
- Evaluating processing technology alternatives
- Evaluating the technical Status of the RRT facility and Xcel combustion plants

2. What should be the role of the Counties with regard to integrating processing into the solid waste system?

This speaks to the level of intervention by the Counties in the solid waste market to accomplish the public policy goals. Information is being gathered to inform the discussion around this question, including:

- Ownership alternatives and risk analysis
- Waste assurance options
- Governance options
- Planning issues
- Financial considerations
- Operational considerations
- Option Purchase Price
- Status of the solid waste market

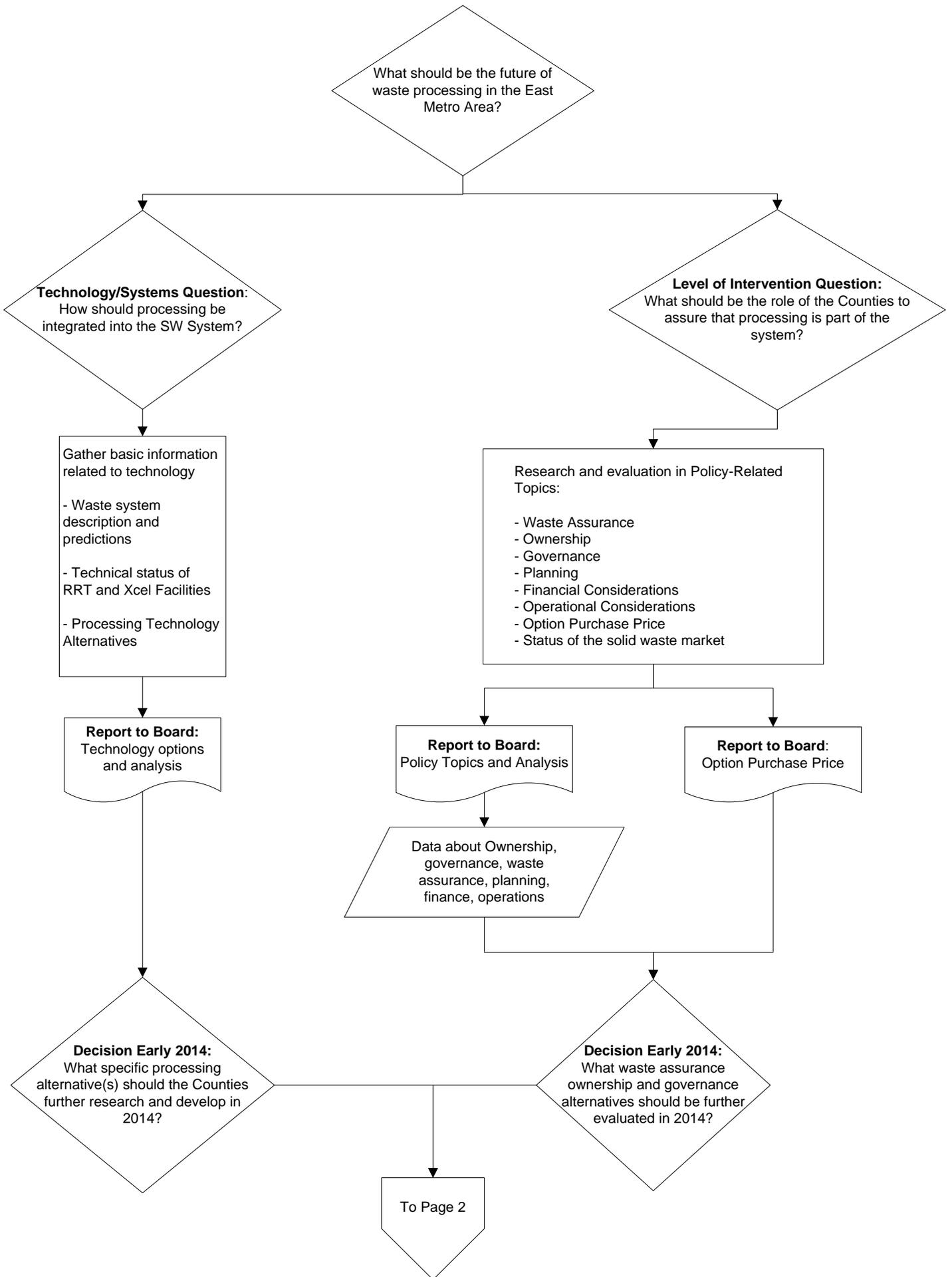
The policy analysis to answer these questions continues to be a two-phased process leading to decision points related to the future of processing in the two counties. Phase 1 (2012 – 2013) includes information gathering and a preliminary analysis, leading to a decision point (likely in late 2013/early 2014) addressing the two broadly worded questions presented above.

The second phase (2014 into early 2015) will include a detailed and more specific analyses, leading to a second decision point (likely late in 2014/early 2015), addressing more specific versions of these questions.

- 3. What specific processing alternative(s) should the counties further research and develop in 2014?**

- 4. What waste assurance, ownership and governance alternative(s) should be further evaluated in 2014?**

A flow-chart diagram is attached that shows this process (Attachment A). A timeline that shows this process is also attached (Attachment B).



What should be the future of waste processing in the East Metro Area?

Technology/Systems Question:
How should processing be integrated into the SW System?

Level of Intervention Question:
What should be the role of the Counties to assure that processing is part of the system?

Gather basic information related to technology

- Waste system description and predictions
- Technical status of RRT and Xcel Facilities
- Processing Technology Alternatives

Report to Board:
Technology options and analysis

Decision Early 2014:
What specific processing alternative(s) should the Counties further research and develop in 2014?

Research and evaluation in Policy-Related Topics:

- Waste Assurance
- Ownership
- Governance
- Planning
- Financial Considerations
- Operational Considerations
- Option Purchase Price
- Status of the solid waste market

Report to Board:
Policy Topics and Analysis

Report to Board:
Option Purchase Price

Data about Ownership, governance, waste assurance, planning, finance, operations

Decision Early 2014:
What waste assurance ownership and governance alternatives should be further evaluated in 2014?

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Decision Early 2014:
What specific processing alternative(s) should the Counties further research and develop in 2014?

Decision Early 2014:
What waste assurance ownership and governance alternative(s) should be further evaluated?

2014 Work Plan:
Analysis of Specific technology alternative(s) in the Context of County role(s)

Report;
Recommendations to implement the technology

Report:
Recommendations to Implement the Waste Assurance method(s) selected

Policy Report:
Recommendations to address ownership, governance, planning, operations

Financing Report:
Recommendations for financing the processing system selected

2014 Decision:
Future waste processing system and role of counties after 2015

2015:
Specific planning and implementation steps

		2013								
		August	September	October	November	December	January	February	March	April
				PB meeting 10/31; Review of overall process; presentation of updates and Information; preliminary discussion;			PB Workshop 1/23; Presentation of Information and Discussion	PB meeting 2/27; further information and continued discussion		PB Meeting 4/24; ACTION: Decisions made on two policy questions, determining course of action for 2014
Overall Policy Question: What should be the future of waste processing in the East Metro Area?	Policy Question: How should processing of MSW be integrated into the solid waste system in the East Metro area?	TASK: Projections About Waste Volume and Character				Report to Project Board: Waste projections, Technology issues and Alternatives				Policy Question: What specific processing alternative(s) should the Counties further research and develop in 2014?
		TASK: Technical Status of the RRT and Xcel Facilities								
		TASK: Processing Technology Alternatives								
	Policy Question: What should be the role of the Counties with regard to integrating processing into the solid waste system?	Task: Research and evaluation of policy- related topics:				Report to Project Board: Policy topics and analysis				
		Waste Assurance								
Ownership										
Governance										
Planning										
Financial Considerations										
Operational Considerations										
Task: Establish an Option Purchase Price through Arbitration	Arbitration, with decision by 12/31/2013			Report to Project Board: Option Purchase Price	Policy Question: What waste assurance, ownership and governance alternatives should be further evaluated in 2014?					



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

PROJECT BOARD MEETING DATE: 7/25/2013	AGENDA ITEM: B - 2
SUBJECT: Solid Waste System Data: History and Projections	
TYPE OF ITEM: <input checked="" type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input type="checkbox"/> Action	
SUBMITTED BY: Joint Staff Committee	

PROJECT BOARD ACTION REQUESTED: For information only.

EXECUTIVE SUMMARY:

During 2013 – 2014 the Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, consisting of two parts. One part of the work is a policy analysis leading to a decision point in 2015 about the future of waste processing, and in particular, whether the Counties would exercise their option to purchase the facility. Within the policy analysis is an examination of the status of the Newport Resource Recovery Facility, as well as an examination of alternate technologies. The amount and character of solid waste that may be available in the future is a fundamental aspect of evaluating the future of processing, and selecting the technology or technologies to employ. The attached memo provides data on past solid waste management results, along with projections for the future. This is presented as background information for the Board’s deliberations over the next year.

ATTACHMENTS:

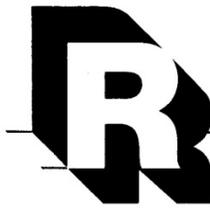
- 1. Memo to Project Board dated 10/18/2013**

SUBJECT: Solid Waste System Data: History and Projections

FINANCIAL IMPLICATIONS: None

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	10/18/2013
Ramsey County Attorney	Date
Washington County Attorney	Date
Ramsey County Department of Finance	Date
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: Solid Waste System Data: History and Projections

During 2013 – 2014 the Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, consisting of two parts. One part of the work is a policy analysis leading to a decision point in 2015 about the future of waste processing, and in particular, whether the Counties would exercise their option to purchase the facility. Within the policy analysis is an examination of the status of the Newport Resource Recovery Facility, as well as an examination of alternate technologies. The amount and character of solid waste that may be available in the future is a fundamental aspect of evaluating the future of processing, and selecting the technology or technologies to employ.

Historical Solid Waste Data

Table 1 on page 2 shows the overall waste management picture for Ramsey and Washington Counties in 2012. Combined, there is a 48.3% recycling rate (without credits for yard waste or waste reduction). This figure includes separately managed organic waste (see other table, below). If separated out, 6.9% of total waste was separately managed organic waste, and 41.3% was managed by recycling.

Table 2, also on page 2, shows the MPCA's waste management targets for the metropolitan area, and shows the current performance in the East Metro area relative to these targets.

Figure 1, on page 3, is focused on the Ramsey/Washington County Resource Recovery Facility, and shows waste delivery and facility performance from the first full operating year (1988) through 2012. It should be noted that waste deliveries have declined during the 2000's, yet RDF production and metal recovery have remained steady. This is a result of the facility owners' efforts to focus on efficiency. Waste delivery declines are associated with two factors: a highly competitive landfill industry, and a downturn in the economy that began in 2008.

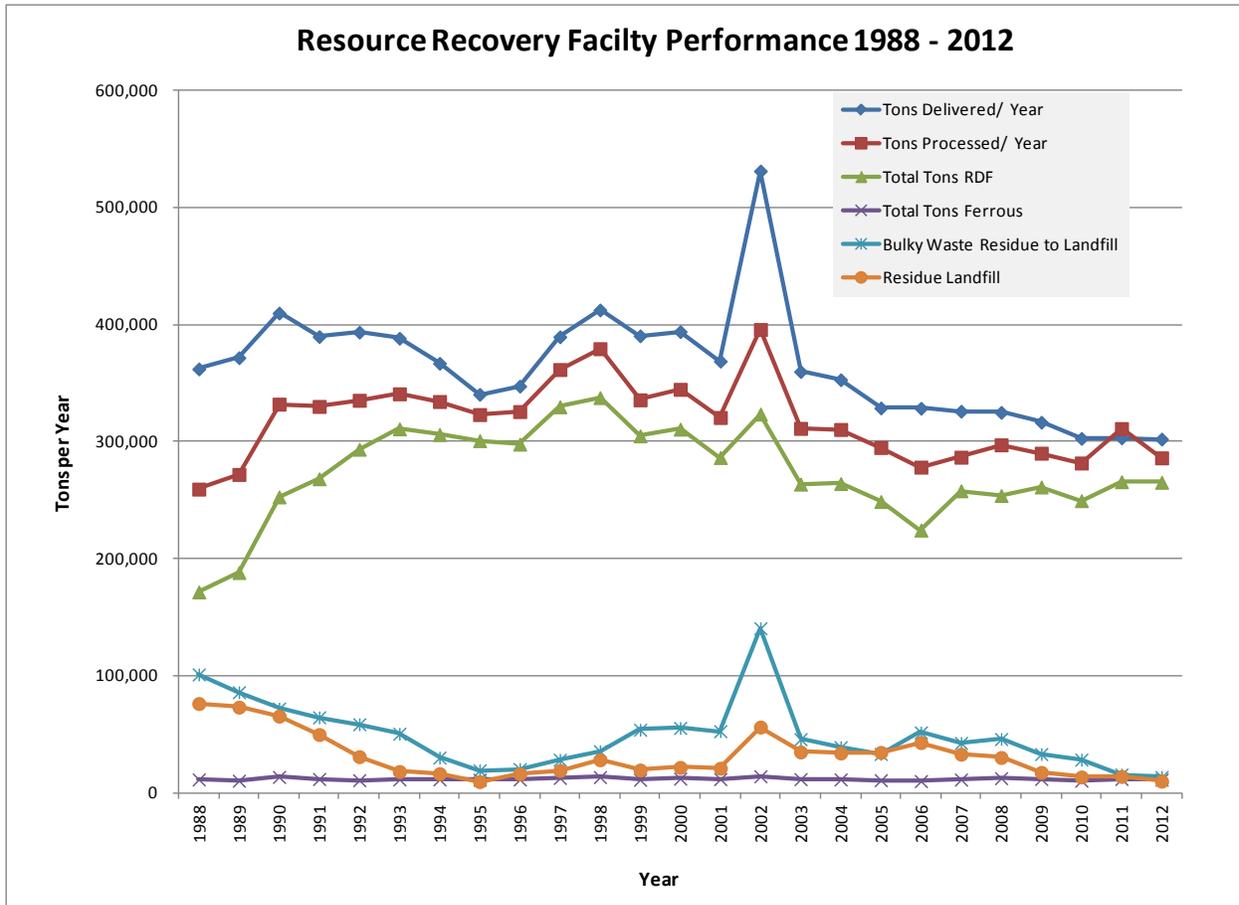
Table 1: Waste Management in Ramsey and Washington Counties, 2012

2012	Ramsey	Washington	R/W	% of Total	% of Total w/o dbl-counting recy
RECYCLING					
<i>Residential</i>	50,234	30,417	80,651		
<i>Commercial/industrial -- documented</i>	54,952	15,188	70,140		
<i>Commercial/industrial - estimated</i>	184,670	46,433	231,103		
<i>Mechanical/hand-sort</i>	9,018	3,211	12,229		
Total recycled	298,874	95,250	394,124	49.8%	
<i>Recycling at Newport</i>	8,683	3,211	11,894		
Excluding recycling at Newport	290,191	92,039	382,230		48.3%
PROCESSING					
Delivered for processing	221,236	81,804	303,040	38.3%	38.3%
Actual MSW processed	211,323	78,138	289,461		
LANDFILLING					
<i>Unprocessed MSW to MN landfills</i>	48,228	6,795	55,023		
<i>Unprocessed MSW to out-of-state landfills</i>	26,737	5,456	32,193		
Total unprocessed waste to landfill	74,965	12,251	87,216	11.0%	11.0%
<i>Process residuals</i>	7,369	2,714	10,083		
<i>Non-processibles/excess</i>	9,913	3,666	13,579		
Total landfilled from RRT-Newport	17,282	6,380	23,662		
State estimate of problem materials not recycled	12,883	6,069	18,952	2.4%	2.4%
TOTAL of MSW managed	599,275	192,162	791,437		
Total %				101.5%	
Total % w/o double-counting recycling					100%

Table 2:

Metropolitan Area MSW Management Objectives: 2010-2030							
Management Method	Ramsey County 2012	Washington County 2012	Combined Ramsey/Washington 2012	2015	2020	2025	2030
Source Reduction	-	-	-	1-2%	2-4%	3-5%	4-6%
Recycling	41.1%	41.9%	41.3%	45-48%	47-51%	49-54%	54-60%
Organics Recovery	7.3%	5.9%	6.9%	3-6%	4-8%	6-12%	9-15%
Resource Recovery	36.9%	42.5%	38.3%	32-34%	32-33%	30-31%	24-28%
Landfill	12.5%	6%	11%	20%	17%	15%	9%

Figure 1:



Summary of Ramsey/Washington 2015-2035 Waste Management Forecasts

Forecasts have been developed in 5-year increments for 2015-2035 for management of solid waste for Ramsey and Washington counties combined (R/W). Three scenarios have been developed. *Note: while yard waste is an important part of the waste stream, it is not included in this analysis because most yard waste continues to be separately managed.*

Baseline and Overall Growth

The baseline for R/W solid waste tonnages is based on 2012 SCORE/Certification reports submitted to the MPCA for the two counties, which show a total of about 784,000 tons of waste managed (including trash, recycling, and organics management). Since the national recession began, reported total waste managed in the two counties combined has averaged about 800,000 tons per year (for 2009-2012). This compares to an average of about 900,000 tons per year for the previous five years (2004-2008).

Overall growth of waste generation in the two counties has been projected using an average annual compounded growth from 2010 Census population/households and employment data

to new preliminary 2040 forecasts from the Metropolitan Council. The projected waste growth for each 5-year increment has been reduced by anticipated source reduction/reuse percentages from the MPCA regional policy plan (e.g., 1-2% for 2015).

Scenarios

Three sets of forecasts of solid waste management tonnages have been developed. Each incorporates at least the minimum regional solid waste policy/county solid waste master plan percentages for recycling and organics recovery, which are shown as ranges in the regional solid waste policy/master plans. The attached table summarizes tonnages by 5-year increment for each scenario. Table 3 (page 6) shows the results of the scenarios.

SCENARIO A: Gradually more aggressive recycling & organics recovery:

Implementation of R/W solid waste master plan objectives by continuing the status quo percentage of the waste stream that is recycled in the two counties combined (43% recycling and 7% organics in 2012), or the lower end of regional recycling and organics objectives, whichever is higher. This means increasing recycling rates to 45% by 2015 and to 54% by 2030, and increasing organic waste diversion to 9% by 2030. Combined recycling and organics rates increase from 50% in 2012, to 54% in 2020, & to 63% in 2030. This scenario also relies on relatively stable MSW tonnages available for processing over time in the 330,000 – 380,000 tons per year range.

SCENARIO B: More aggressive recycling & organics recovery:

Continued implementation of R/W solid waste master plan objectives by maintaining the current percentages of the waste stream that is recycled in the two counties combined (43% recycling and 7% organics in 2012), or the higher end of regional recycling and organics objectives, whichever is higher. This means increasing recycling to 45% by 2015, and to 60% by 2030, and increasing organics diversion and recovery to 8% of total waste by 2020 and to 15% by 2030. Combined recycling & organics from 50% in 2012, to 59% in 2020, & to 75% in 2030. The above, combined, will gradually reduce the amount of MSW available for processing over time, to less than 300,000 tons per year by 2025.

SCENARIO C: More aggressive recycling & much more aggressive organics recovery:

Implementation of R/W solid waste master plan objectives by continuing the status quo percentage of the waste stream that is recycled in the two counties combined (43% recycling and 7% organics in 2012), or the higher end of regional recycling objectives, whichever is higher, plus doubling organics recovery by 2020. This means increasing recycling rates to 45% by 2015 and to 60% by 2030, and increasing organic waste diversion to 15% by 2020. Combined recycling & organics from 50% in 2012, to 66% in 2020, & to 75% in 2030. The major increase in organics recovery by 2020 corresponds to a large decline in available MSW for processing, becoming less than 300,000 tons per year from 2020 onwards.

Trends for Materials in the Waste Stream

Table 3 (page 7) summarizes the proportion of various materials still being disposed in the trash, according to various local waste composition sorting studies performed from the late 1990s to this year. Overall trends are also summarized and included as well. Some key findings:

- Paper and cardboard as a percentage of trash are generally in decline, which adds to the challenges of increasing recycling to meet more aggressive recycling goals. A sizable portion of non-recyclable paper is potentially compostable.
- Plastics are growing as a percentage of the waste stream. While more plastics can now be recycled in most recycling programs, a substantial portion of plastics, such as some film plastic, can be challenging to recycle.
- Food waste continues to comprise a substantial portion of trash (~15%). When combined with compostable types of paper and some other organic materials, there is the potential to manage over 25% of what remains in the trash through organics diversion and recovery (approximately 90-100,000 tons of current R/W trash).

SCENARIOS													
Year	Total R/W MSW Management (tons per year) Based on population / households & employment growth, with State source reduction/reuse objectives factored in starting 2015	SCENARIO A: Gradually more aggressive recycling & organics recovery:				SCENARIO B: More aggressive recycling & organics recovery:				SCENARIO C: More aggressive recycling & much more aggressive organics recovery:			
		Implementation of SW Master Plan objectives in east metro: <u>status quo % or lower end</u> of recy & organics objectives, whichever is higher Combined recycling & organics from 50% in 2012, to 54% in 2020, & to 63% in 2030 Relatively stable MSW tonnages available for processing over time				Implementation of SW Master Plan objectives in east metro: <u>status quo % or higher end</u> of recy & organics objectives, whichever is higher Combined recycling & organics from 50% in 2012, to 59% in 2020, & to 75% in 2030 Gradually declining MSW available for processing over time				Implementation of SW Master Plan objectives in east metro: higher end of State recy organics objectives; doubling of organics recovery by 2020, from 7% in 2012 to 15% in 2020 onwards Combined recycling & organics from 50% in 2012, to 66% in 2020, & to 75% in 2030 Major increase in organics recovery by 2020 corresponds to large decline in available MSW for processing			
		Recycling w/o organics	Organics	MSW available for processing	Recycling w/o organics	Organics	MSW available for processing	Recycling w/o organics	Organics	MSW available for processing	Recycling w/o organics	Organics	MSW available for processing
2012	784,000	Tons 339,100	55,000	390,000	Tons 339,100	55,000	390,000	Tons 339,100	55,000	390,000	Tons 339,100	55,000	390,000
		% 43.2%	7.0%	49.8%	% 43.2%	7.0%	49.8%	% 43.2%	7.0%	49.8%	% 43.2%	7.0%	49.8%
2015	797,000	Tons 359,000	56,000	382,000	Tons 382,000	56,000	359,000	Tons 382,000	56,000	359,000	Tons 382,000	56,000	359,000
		% 45%	7.0%	48.0%	% 48%	7.0%	45.0%	% 48%	7.0%	45.0%	% 48%	7.0%	45.0%
2020	826,000	Tons 388,000	58,000	380,000	Tons 421,000	66,000	339,000	Tons 421,000	124,000	281,000	Tons 421,000	124,000	281,000
		% 47%	7.0%	46.0%	% 51%	8%	41.0%	% 51%	15%	34.0%	% 51%	15%	34.0%
2025	860,000	Tons 422,000	60,000	378,000	Tons 465,000	103,000	292,000	Tons 465,000	129,000	266,000	Tons 465,000	129,000	266,000
		% 49%	7.0%	44.0%	% 54%	12%	34.0%	% 54%	15%	31.0%	% 54%	15%	31.0%
2030	896,000	Tons 484,000	81,000	331,000	Tons 538,000	134,000	224,000	Tons 538,000	134,000	224,000	Tons 538,000	134,000	224,000
		% 54%	9%	37.0%	% 60%	15%	25.0%	% 60%	15%	25.0%	% 60%	15%	25.0%
2035	944,000	Tons 510,000	85,000	349,000	Tons 566,000	142,000	236,000	Tons 566,000	142,000	236,000	Tons 566,000	142,000	236,000
		% 54%	9%	37.0%	% 60%	15%	25.0%	% 60%	15%	25.0%	% 60%	15%	25.0%

Table 3: Waste Composition and Trends					
Selected Categories of Mixed Municipal Solid Waste	Percentages of Total MSW in Various Waste Sort Studies				Overall Trends
	1999/2000 SWMCB / MPCA Metro	2007 Newport, Elk River, HERC	2011-13 HERC, Br. Pk., Newport, statewide	2012 Newport	
Paper/cardboard	34%	23% - 32%	16% - 31%	23%	Overall paper generation generally declining (e.g., newspapers, magazines/catalogs, cardboard boxes); more recovery of non-recyclable paper suitable for composting
Plastic	11%	14% - 18%	15% - 18%	17%	Overall plastics generation increasing; substantial portion continues to be film plastic that is challenging to recycle
Metal	4%	5% - 6%	4% - 6%	5%	
Glass	3%	2% - 4%	2% - 3%	3%	Glass usage declining somewhat over time
Organics: food waste	11%	12% - 16%	10% - 18%	15%	Substantial quantities of food waste remain in trash; coupled with compostable paper and other organics, 25% or more of trash is compostable
Misc. / Other					<p>Increase in other/misc.; for example, trends showing an expected increase in composite materials that are more difficult to recycle.</p> <p>Several materials continue to each comprise a few to several percent of trash, including textiles/leather, C&D/renovation waste, bulky materials such as furniture, treated wood, yard waste & carpet.</p>

SCENARIOS													
Year	Total R/W MSW Management (tons per year) Based on population / households & employment growth, with State source reduction/reuse objectives factored in starting 2015	SCENARIO A: Gradually more aggressive recycling & organics recovery:			SCENARIO B: More aggressive recycling & organics recovery:			SCENARIO C: More aggressive recycling & much more aggressive organics recovery:					
		Implementation of SW Master Plan objectives in east metro: <u>status quo % or lower end</u> of recy & organics objectives, whichever is higher			Implementation of SW Master Plan objectives in east metro: <u>status quo % or higher end</u> of recy & organics objectives, whichever is higher			Implementation of SW Master Plan objectives in east metro: <u>higher end</u> of State recy organics objectives; doubling of organics recovery by 2020, from 7% in 2012 to 15% in 2020 onwards					
		Combined recycling & organics from 50% in 2012, to 54% in 2020, & to 63% in 2030			Combined recycling & organics from 50% in 2012, to 59% in 2020, & to 75% in 2030			Combined recycling & organics from 50% in 2012, to 66% in 2020, & to 75% in 2030					
		Relatively stable MSW tonnages available for processing over time			Gradually declining MSW available for processing over time			Major increase in organics recovery by 2020 corresponds to large decline in available MSW for processing					
			Recycling w/o organics	Organics	MSW available for processing		Recycling w/o organics	Organics	MSW available for processing		Recycling w/o organics	Organics	MSW available for processing
2012	784,000	Tons	339,100	55,000	390,000	Tons	339,100	55,000	390,000	Tons	339,100	55,000	390,000
		%	43.2%	7.0%	49.8%	%	43.2%	7.0%	49.8%	%	43.2%	7.0%	49.8%
2015	797,000	Tons	359,000	56,000	382,000	Tons	382,000	56,000	359,000	Tons	382,000	56,000	359,000
		%	45%	7.0%	48.0%	%	48%	7.0%	45.0%	%	48%	7.0%	45.0%
2020	826,000	Tons	388,000	58,000	380,000	Tons	421,000	66,000	339,000	Tons	421,000	124,000	281,000
		%	47%	7.0%	46.0%	%	51%	8%	41.0%	%	51%	15%	34.0%
2025	860,000	Tons	422,000	60,000	378,000	Tons	465,000	103,000	292,000	Tons	465,000	129,000	266,000
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		%	54%	9%	37.0%	%	60%	15%	25.0%	%	60%	15%	25.0%



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

PROJECT BOARD MEETING DATE: <u>10/31/2013</u>	AGENDA ITEM: <u>B-3</u>
SUBJECT: <u>Technical Status of Facilities Report</u>	
TYPE OF ITEM: <input checked="" type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input type="checkbox"/> Action	
SUBMITTED BY: <u>Joint Staff Committee</u>	

PROJECT BOARD ACTION REQUESTED: For information only.

EXECUTIVE SUMMARY:

The Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, including a policy analysis leading to a decision point in 2015 about the future of waste processing. A number of reports will be produced to supply information about projections of waste volume and composition over the next few decades, along with an evaluation of technologies and other system components. Another report is a technical analysis that documents the current status of the RRT-owned Newport Resource Recovery Facility and the two Xcel combustion facilities. Foth Infrastructure and Environment, the Counties engineering consultant, has prepared that report and will present a high-level review of its findings at the Project Board meeting.

This report provides an understanding of the current status of the facilities that currently provide processing services to the Counties. This assessment is of value for two reasons. First, as the existing processing service provider the facility may play a key role in future processing plans, and understanding its status is important. Second, because the counties have the option to purchase the facility, the report provides information that may be useful in considering that question.

ATTACHMENTS:

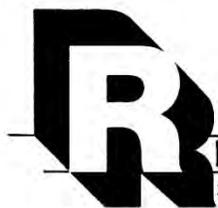
1. Memo to Project Board dated October 18, 2013
2. Executive Summary: *“Preliminary Technical Status of the Newport and Two Xcel Combustion Facilities.”* By Foth Infrastructure and Environment.

SUBJECT: Technical Status of Facilities Report

FINANCIAL IMPLICATIONS: None

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	October 18, 2013
Ramsey County Attorney	Date
Washington County Attorney	Date
Ramsey County Department of Finance	Date
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: Technical Status of Facilities Report

Background

The Project is conducting a policy evaluation on the future of waste processing in 2013 – 2014, consisting of two parts. The first is an obligation of both the Counties and RRT within the Processing Agreement to establish an option 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, whether the Counties would exercise their option to purchase the facility, or pursue an alternative means of assuring the processing of waste.

One of the two policy questions being considered is: *How should processing of MSW be integrated into the solid waste system in the East Metro area?* A number of reports will be produced to supply information about projections of waste volume and composition over the next few decades, along with an evaluation of technologies and other system components. Another report is a technical analysis that documents the current status of the RRT-owned Newport Resource Recovery Facility and the two Xcel combustion facilities. Foth Infrastructure and Environment, the Counties engineering consultant, has prepared that report and will present a high-level review of its findings at the Project Board meeting.

This report provides an understanding of the current status of the facilities that currently provide processing services to the Counties. This assessment is of value for two reasons. First, as the existing processing service provider the facility may play a key role in future processing plans, and understanding its status is important. Second, because the counties have the option to purchase the facility, the report provides information that may be useful in considering that question.

The Executive Summary is attached to this memo. The full report can be found on the Project's web site at: http://www.co.ramsey.mn.us/recovery/Documents_Reports.htm#new-report. Foth will present a review of the report at the October 31st meeting of the Project Board.

Technical Status of Facilities

October 18, 2013

Page 1 of 2

Key Findings

- The report includes: a review of permits and regulatory status for the Facilities; general status of the equipment, buildings, mobile equipment and facilities; metrics; future plans, and historical maintenance.
- Newport Facility
 - Since 1987, when it began commercial operations, the Facility has gone through significant modifications to keep the facility operational and minimize maintenance.
 - These technical modifications have resulted in a facility with equipment optimized for MSW processing and fuel production. While they could be considered “custom” improvements, the equipment components are mostly “off-the-shelf” and are replaceable.
 - Foth’s review indicates that the equipment is adequately maintained.
 - Various permits are up to date and in good standing with regulatory authorities.
 - Facility performance has consistently improved.
- Xcel Facilities
 - The two Xcel facilities were converted from coal combustion to RDF combustion in 1987. During their operational lives the two facilities have a generally consistent track record of performance.
 - Xcel has recently completed an extensive study looking at operation of these two facilities until 2017 and 2027. This work includes a capital improvement analysis, with a number of projects being made in the next few years.
 - Xcel’s near-term capital expenditures suggest that Xcel intends to continue to use refuse-derived-fuel (RDF) as the primary fuel source for the Red Wing and Wilmarth power plants.
 - For both facilities, there was a period in the mid-2000’s when Xcel was uncertain about the ongoing availability of RDF as a fuel source, and some maintenance was deferred. Foth’s analysis concludes that it is apparent now that Xcel is performing the necessary maintenance and upgrades to equipment.
 - Based on this, Foth concludes that, based on Xcel’s current work and capital plans, there is no apparent reason that the plants cannot reliably and safely continue operation until 2017 or 2027.

Report

Preliminary Technical Status of the Newport and Two Xcel Combustion Facilities

Project I.D.: 13R003.00

Prepared For:
Ramsey/Washington Counties
Resource Recovery Project Board

October 2013



RAMSEY/WASHINGTON COUNTY
RESOURCE RECOVERY PROJECT
RAMSEY AND WASHINGTON COUNTIES, MINNESOTA





Preliminary Technical Status of the Newport and Two Xcel Combustion Facilities

Executive Summary

This report provides the Ramsey/Washington Counties Resource Recovery Project Board (Board) with a preliminary current technical status of the Xcel combustion plants located in Red Wing, MN and Mankato, MN (Wilmarth plant) and the Newport Resource Recovery Facility (Newport). The Newport facility processes municipal solid waste (MSW) from Ramsey and Washington Counties to produce refuse-derived fuel (RDF). The Xcel combustion plants use the RDF as the primary fuel source for energy production. As a part of the preliminary technical reviews, Foth staff conducted site visits to each of the facilities in order to observe the general condition and operation.

This preliminary technical status report includes a review of permits and regulatory requirements; general status of processing equipment, buildings and facilities; mobile equipment, and performance metrics for the Newport facility. The report also includes a review of the general status, future plans, historical maintenance, physical conditions, and regulatory status of the Xcel facilities. Potential future risks associated with the Newport and Xcel facilities are addressed to the extent possible within this preliminary analysis.

Xcel Combustion Plants

The Xcel facilities were converted from coal combustion facilities to facilities capable of burning RDF in 1987/88, which coincides with construction of the RDF facility in 1986/87 and production of RDF soon after. During the 26 years of operation, the RDF processing facility and combustion facilities have a generally consistent track record of performance.

Xcel staff indicated that in previous years (mid-2000's), it was unclear if Xcel would have a constant RDF source, the facilities O&M budgets were minimal and management was running the plant with the assumption that the facilities would likely be closing at the end of the contract (then 2006). However, once the contract for RDF was solidified for a 6 year period (through 2012) Xcel began to "catch-up" on improvement type projects that had not been performed. It appears that they continue to do all of the necessary maintenance to ensure minimal downtime.

In addition to "catching-up" on improvements, Xcel recently completed an extensive study that looked at operating both plants until 2017 and 2027. As part of these studies, Xcel prepared a summary of the Capital Improvement Projects (CIP) for extending operation to 2017 and 2027. Xcel stated that the CIP's for 2013 and the next few years have been "front loaded", meaning capital intensive projects are being done in the near future. This is being done for several reasons, including to maximize control of the combustion process, minimize downtime for repairs, better process control, continuing emission controls and maximizes the depreciation expenses in the near term future. These near-term capital expenditures suggest that Xcel intends to continue using RDF as the primary fuel source at these two (2) facilities for the foreseeable

future to satisfy the power demand, satisfy the “must run” requirements of the Midcontinent Independent System Operator (MISO), and maximize revenues received from burning RDF.

The main risk to plant shutdown noted by Xcel staff from both of the facilities was an unforeseen major change in environmental regulations that would require such major upgrades to the pollution control system or modifications to the boilers-generator-turbines that it would be too costly to comply and still expect a reasonable return on the investment. No other significant risks were noted by Xcel staff at the time of the site visit. However, a potential risk may be a loss of “must run” status with MISO (“must run” means that they must be generating at their optimal capacity at all times regardless of the electricity sale price). If this “must run” status was lost, the facilities may not be able to operate at a competitive price or the facilities may not be as economical to operate as a coal or natural gas fired power plant. However, in the current energy environment, it is unlikely that the “must run” status would be lost. In order for the facility to no longer be considered “must run,” the State of Minnesota would likely need to change the State’s requirements for renewable energy to no longer include biomass or if the State no longer had renewable energy goals. Both of these events are unlikely to occur in the foreseeable future.

The condition assessments for the two Xcel facilities were not meant to address every component of the facilities. There are unforeseen risks associated with the operation of any facility, but with proper operating and maintenance schedules and procedures, these risks can be minimized.

Newport Facility

Since the Newport facility began operating, most of the processing equipment has gone through significant modifications based on operational experience gained by facility management and staff. These modifications are reported to be necessary to keep the facility operational while also minimizing maintenance.

Current operation and maintenance budgets are adequate to keep the facility operating at the necessary capacity to produce the required tonnage of RDF. Additionally, the number of modifications to the processing equipment has declined, which RRT believes to be a result of achieving the “best” modifications based on experience and equipment availability. Although most of the processing equipment has been modified and could be considered “custom”, most of the modified equipment components are still “off the shelf” parts so equipment repair costs should not be extraordinary. Foth’s review of the processing equipment, mobile equipment, facility, and site indicates that the equipment is adequately maintained on an as needed basis based on this extensive operational experience.

The permits and annual reports required for operation of the Newport facility are up to date and in good standing with regulatory authorities. These permits and annual reports will likely be required as long as the facility is producing RDF from MSW.

Operations at the facility have consistently improved performance as indicated by the consistent production of the contract required tons of RDF even though there has been a steady decline in the tonnage of material received at the facility. The ability to keep the facility operating in an efficient manner and operating with minimal down time is attributed to not only the

improvements/modification to the equipment, but is also significantly related to the experience and knowledge of the existing facility staff.

There is a current limitation associated with the facility. There is a License Agreement currently in place for the 21 northern most parking stalls (approximately 196 by 30 feet). The License Agreement allows RRT to use these parking stalls, but this portion of land is not automatically transferable and the License Agreement can be easily terminated by Xcel. This License Agreement is considered a limitation risk to future expansion of the existing operations or the addition of supplemental activities at the site. An additional potential limitation to future development is the Easement Agreement. The land specified in this agreement includes the access roads to the facility as well as the area between the substation and the northern property line. The Easement Agreement allows RRT to use this land for the current purpose (access to the facility, trailer parking, etc.). This easement is perpetual and is transferable with the land. However, approval in writing from Xcel is required in order to construct anything on this property, which may need to be negotiated if the property usage changes.

One other risk is the potential loss of operational knowledge if the existing staff is not retained during any type of ownership transfer.



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

PROJECT BOARD MEETING DATE: <u>10/31/2013</u>	AGENDA ITEM: <u>B-4</u>
SUBJECT: <u>Amendment to Agreement with Stoel-Rives</u>	
TYPE OF ITEM: <input type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input checked="" type="checkbox"/> Action	
SUBMITTED BY: <u>Joint Staff Committee</u>	

PROJECT BOARD ACTION REQUESTED:

1. Authorize 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, 2013 to December 31, 2013, to \$274,000.
2. Authorize an adjustment to the 2013 Project Budget, to transfer \$85,000 from the line item for Organic Waste Management to the line item for Legal Services.

EXECUTIVE SUMMARY:

Article 9 of the 2013 – 2015 Processing Agreement with Resource Recovery Technologies directs a process for establishing an option purchase price. The Counties and RRT negotiated in good faith to arrive at an Option Purchase Price by March 31, 2013; however, negotiations did not result in an agreed upon price. Pursuant to the Processing Agreement, the parties are now proceeding with a binding arbitration process to establish an Option Purchase Price by December 31, 2013.

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 management, environmental and energy matters, and has been important in Project work related to RRT and policy development. Stoel Rives has been retained to lead the Project’s work to establish an Option Purchase Price, as required by the Processing Agreement.

A number of factors, explained in the attached memo, have resulted in higher costs than anticipated for this process, including work by the appraiser engaged on the Project’s behalf, the cost of arbitration, and legal expenses. A contract amendment is proposed to cover these expenses.

ATTACHMENTS:

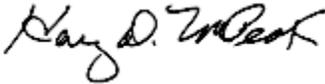
1. Memo to Project Board dated October 18, 2013
2. Draft Resolution

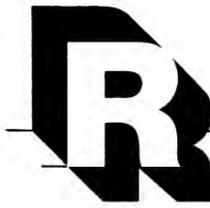
SUBJECT: Amendment to Agreement with Stoel-Rives

FINANCIAL IMPLICATIONS:

There is no overall change in the 2013 Resource Recovery Project Budget. \$85,000 are being transferred from the line item for Organic Waste Management, which will not be used in 2013, to the line item for Legal Services, to pay for costs associated with establishing the Option Purchase Price.

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	October 18, 2013
Ramsey County Attorney	Date
	October 18, 2013
Washington County Attorney	Date
Ramsey County Department of Finance	Date
	October 18, 2013
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: Amendment to Agreement with Stoel Rives

Article 9, Section 9.03 of the 2013 – 2015 Processing Agreement with Resource Recovery Technologies directs a process for establishing an option purchase price. Subsections A and B form the Processing Agreement read as follows:

- (A) *The Counties and RRT will negotiate in good faith to arrive at the Option Purchase Price by March 31, 2013. Should RRT and the Counties not arrive at a negotiated Option Purchase Price by March 31, 2013, the Parties shall initiate binding arbitration to establish the Option Purchase Price by December 31, 2013. The arbitration costs will be equally shared by the Parties, and the arbitration hearings will be conducted in St. Paul, Minnesota and administered by the American Arbitration Association under its Arbitration Rules for the Real Estate Industry. To the extent agreed upon by the Parties, the Expedited Process shall be used. If requested, RRT will provide full access to the Facility to the Counties' agents for an appraisal.*

- (B) *The establishment of the Option 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.*

The Counties and RRT negotiated in good faith to arrive at an Option Purchase Price by March 31, 2013; however, negotiations did not result in an agreed upon price. Pursuant to the Processing Agreement, the parties are now proceeding with a binding arbitration process to establish an Option Purchase Price by December 31, 2013.

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 management, environmental and energy matters, and has been important in Project work related to RRT and policy development. Stoel Rives is leading the Project's work to establish an Option Purchase Price, as required by the Processing Agreement with RRT.

The cost to the Project of establishing an Option Purchase Price was estimated over a year ago when the 2013 budget was prepared, without knowledge of how involved the negotiations would be, whether arbitration would be needed, and how extensive the arbitration would be. Certain factors have resulted in higher costs than budgeted. The cost of completing the Counties' appraisal has proven higher than

estimated. The negotiation process was more involved than anticipated. Because by its nature the arbitration process is adversarial, both parties are approaching the an Option Purchase Price arbitration very deliberately, which has increased costs.

In order to complete the arbitration process additional funding is needed in three areas – totaling \$85,000. This includes additional services from our appraisal firm to finalize the appraisal and testify at the arbitration hearing (\$45,000), legal services (\$10,000), and the Project’s share of the cost of the arbitration-, which consists of arbitrator fees and expenses (\$30,000). Because Stoel Rives is leading this process, this can be accomplished through a single amendment to their Agreement with the Project.

Recommendation

Staff recommend the following action:

1. Authorize 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, 2013, to December 31, 2013, to \$274,000.
2. Authorize an adjustment to the 2013 Project Budget, to transfer \$85,000 from the line item for Organic Waste Management to the line item for Legal Services, as follows:

		<u>From</u>	<u>To</u>	<u>Difference</u>
<u>Decrease Appropriations</u>				
425102	Organic Waste Management	\$580,000	\$495,000	(\$85,000)
 <u>Increase Appropriations</u>				
421201	Legal Services	\$ 189,000	\$274,000	\$85,000

There is no overall change in the 2013 Resource Recovery Project Budget. \$85,000 are being transferred from the line item for Organic Waste Management, which will not be used in 2013, to the line item for Legal Services, to pay for costs associated with establishing the Option Purchase Price.

Resolution 2013-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, Article 9 of the Processing Agreement with Resource Recovery Technologies (RRT) establishes a process to determine the Option Purchase Price, which includes, first a negotiation process, and, should negotiations fail, binding arbitration to establish the the Option Purchase Price; and

WHEREAS, The Project has contracted with the firm of Stoel Rives LLP in 2013, to provide consulting and legal services associated with the process to establish an Option Purchase Price, and assistance with the evaluation of waste processing, including funding to engage an appraisal firm and pay the costs of arbitration; and

WHEREAS, A number of legal and policy issues have arisen during the negotiation and arbitration process that have increased the estimated cost to establish an Option Purchase Price, necessitating an amendment to the Agreement with Stoel Rives; and

WHEREAS, the 2013 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, 2013, to December 31, 2013, to \$274,000.

BE IT FURTHER RESOLVED, The Project Board authorizes an adjustment to the 2013 Project Board budget as follows:

	<u>From</u>	<u>To</u>	<u>Difference</u>
<u>Decrease Appropriations</u>			
425102 Organic Waste Management	\$580,000	\$495,000	(\$85,000)
<u>Increase Appropriations</u>			
421201 Legal Services	\$ 189,000	\$274,000	\$85,000

Commissioner Victoria Reinhardt, Chair

October 31, 2013



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

PROJECT BOARD MEETING DATE: 7/25/2013	AGENDA ITEM: C-1
SUBJECT: East Metro Organic Waste and Recycling Progress Report	
TYPE OF ITEM: <input checked="" type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input type="checkbox"/> Action	
SUBMITTED BY: Joint Staff Committee	

PROJECT BOARD ACTION REQUESTED: For information only.

EXECUTIVE SUMMARY:

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. Based on that direction, work began in 2012 to implement programs to increase further organic waste recovery, continues into 2013. Because business decisions on organic waste frequently include discussion of recycling of traditional materials (paper, cardboard, glass, metal), work in 2013 includes an expansion of outreach activities to include resources that support non-residential recycling.

The Project's work on non-residential organic waste and recycling is referred to internally as the East Metro Organics and Recycling (EMOR) program. That work is carried out by a number of County staff assigned to work on various aspects of EMOR, along with consultants. Inter-county work teams have been organized to manage projects in each category of work.

The attached memo provides a status report on results from 2012, as well as work progress mid-way into 2013.

ATTACHMENTS:

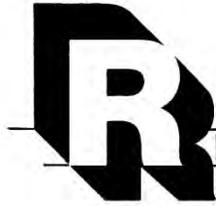
- 1. Memo to Project Board dated 10/18/2013**

SUBJECT: East Metro Organic Waste and Recycling Progress Report

FINANCIAL IMPLICATIONS: None

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	10/18/2013
Ramsey County Attorney	Date
Washington County Attorney	Date
Ramsey County Department of Finance	Date
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: East Metro Organics and Recycling – 2013 Status Report

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 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 was expanded to include those areas

East Metro Organics and Recycling Program

The Project's work on non-residential organic waste and recycling is referred to internally as the East Metro Organics and Recycling (EMOR) program. That work is carried out by a number of County staff assigned to work on various aspects of EMOR, along with consultants. Inter-county work teams have been organized to manage projects in each category of work.

The following is a status report progress so far in 2013.

A. Education, Consultation and Technical Assistance

1. ***Continue to develop and update a list of commercial generators of organic waste for outreach efforts.*** The Project, working primarily with Washington County's GIS staff, has been maintaining an accurate database of businesses which is used to targeted outreach work. The work completed this year was centered around developing map layers in the GIS database from consultant fieldwork and reports using a standard format. The map data layers are used to organize and analyze project work, target future outreach efforts, and display the results.
2. ***East-Metro Non-Residential Organics and Recycling Website.*** In early 2013 the Project launched its BizRecycling web site at the URL LessTrash.com. The website is targeted at

local businesses in Ramsey and Washington Counties, with resources tailored to meet their needs. The Project has secured a trademark for the BizRecycling logo and concept.

Work completed in 2013 includes the following:

- Continuous improvement of content, such as adding more success stories, links to more service providers;
- expanding the site to include broader and deeper information about non-residential recycling;
- using Twitter as a social media strategy, at <https://twitter.com/BizRecyclingMN>;
- Redesigning the site to fit with mobile applications

Promotional efforts began in mid-year, as described below, So far in 2013:

- 2,836 people have visited this site 3,973 times
- The majority of visits occurred in August during the electronic ad campaign
- 71.36% of the site users were new users
- Average time spent on the site was 3:04 minutes
- Each visitor looked at an average of 3.95 pages within the site.
- 19% of visitors directly entered the site (by typing in LessTrash.com); 11 % resulted from a search (such as on Google) and 31% were referred, linking from another site.

3. Outreach

This work has objectives: raise awareness about organic waste management and recycling options among businesses and institutions, and to market the services available to assist businesses that want to recycle. Results of that work in 2013:

- *Marketing Plan:* The Project's marketing consultant, Risdall, worked with staff to develop a marketing plan, which identifies specific audiences and methods to reach those audiences. The outreach efforts dovetail with efforts of the individual counties, as well as the Solid Waste Management Coordinating Board.
- *Outreach efforts:*
 - Materials, such as a leave-behind brochure, have been developed for use by staff, consultants, and others to promote the BizRecycling organic waste and recycling services.
 - Electronic ads on websites that research has showed are most frequented by businesses. Results from vendors reported in September indicate that the electronic ads generated 745,200 impressions and drove 2,440 people to click through to the website.

4. Contract for consulting and technical assistance services

In 2013 the Project continues to provide consulting services to assist businesses with recycling organic waste and traditional recyclables. Minnesota Waste Wise, JL Taitt and

Associates and MnTAP continue to provide high-quality targeted service to non-residential waste generators.

- ***JL Taitt and Associates*** provides technical assistance and consultation services for institutional generators, such as school districts, hospitals and nursing homes, alternative care facilities, and colleges and universities. So far in 2013 work continued building on the foundational work from 2012:
 - **Assisted Living Facilities**-Met with several high level officials at assisted living facilities and delivered presentations on organics management options. Facilitated the launch of a food-to-hogs program at Presbyterian Homes Norris Square facility in conjunction with a new campus-wide container recycling program. Currently scheduling additional meetings with several interested facilities including Serenity Care Centers in St. Paul and Good Samaritan Society facilities in Stillwater and Roseville.
 - **Colleges, Universities, and Large Institutions**- Completed a financial analysis of the university's trash and recycling system and presented a power point presentation on SSOM options. Also conducted an on-site assessment of the foodservice operations a food waste recycling training for foodservice staff and facilitated launch of food recycling program in multiple campus locations. Now beginning additional work to enhance the campus-wide recycling collection system working with university & County staff.
 - **K-12 Public and Private Schools**- A variety of school outreach work in now in progress including setting up initial and follow-up meetings with five private schools in response to a Project letter from August. A significant effort is also underway with St. Paul public schools that is evaluating waste, recycling, and SSOM options and will lead to an RFP process for district-wide services in 2014.
- ***Minnesota Waste Wise*** delivers strategic environmental consulting to help businesses save money through waste reduction, resource conservation and energy efficiency. Through September 2013, Waste Wise made 347 contacts in efforts to engage businesses, have engaged 57 businesses new to receiving assistance, are working with an additional 17 businesses who were previously contacted in 2012 or early 2013, have provided initial on-site evaluations for 49 businesses, and revisited businesses for additional follow-up work on-site 30 times.
- ***Minnesota Technical Assistance Program (MnTAP) consultation and technical assistance. Minnesota Technical Assistance Program (MnTAP) consultation and technical assistance.*** MnTAP is working with three main businesses and two events. Each is at a different stage in the process of waste reduction/diversion. **Boston Scientific** (Arden Hills) has expanded its composting program. A waste sort is planned to determine if the two cafeteria's front of the house waste is worth capturing as well. **Andersen Corporation's**

(Bayport) facility cafeteria was examined and commercial organics collection is feasible. Andersen's has postponed any further effort until more staff time is available to advance the initiative. **Kemps'** (St. Paul) sustainability committee wants to enhance their office recycling program. A waste sort, to collect baseline information to target areas for improvement, is planned. **Washington County Fair's** Hooley Hall's 4H food stand conducted a two-day waste sort. Findings showed that their trash contained 68% organic material. Fair-wide, recycling is poor, with significant quantities of recyclables found in every garbage can examined. **Marketfest** (White Bear Lake) has an excellent recycling system already in place. Commercial composting is being discussed with the Marketfest director and city staff. Many food items are already served with paper products or other items that are acceptable at a commercial compost site.



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

PROJECT BOARD MEETING DATE: 10/31/2013	AGENDA ITEM: C-2
SUBJECT: <u>Recycling and Organic Waste Grants for Businesses</u>	
TYPE OF ITEM: <input type="checkbox"/> Information <input type="checkbox"/> Policy Discussion <input checked="" type="checkbox"/> Action	
SUBMITTED BY: Joint Staff Committee	

PROJECT BOARD ACTION REQUESTED:

The Project Board is requested to

- Approve the concept of the financial interventions program described by staff, including starter grants, container grants and a rewards program;
- Authorize the Joint Staff Committee, working with the county attorneys, to design and implement administrative procedures and agreements to implement the program; and
- Authorize the Lead Staff Person for the Project to execute agreements up to \$10,000 related to the program.

EXECUTIVE SUMMARY:

At its July, 2013 meeting the Project Board approved a resolution to “Direct staff to prepare implementation plans and materials to address, first organic waste collection and transportation efficiency, either through hauler rebates or generator incentive grants, and, second, for targeted grants to non-residential waste generators, and to bring those plans back to the Project Board for consideration at the September 2013 meeting of the Project Board.”

Staff and consultants to the Project Board have prepped specific program guidelines to address this, and recommend creation of a financial intervention program targeted at non-residential recycling and organics management, and that provides financial starter grants and container grants, as well as rewards program for organic waste generators. The attached memorandum provides more detail

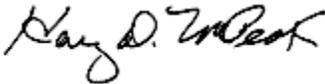
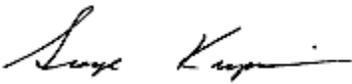
ATTACHMENTS:

1. Memo to Project Board dated 10/18/2013
2. Draft resolution

SUBJECT: Recycling and Organic Waste Grants for Businesses

FINANCIAL IMPLICATIONS: The 2014 – 2015 Project budget includes \$500,000 in each year for financial grant programs described in this action.

AUTHORIZED SIGNATURES

Joint Staff Committee	Date
	10/18/2013
Ramsey County Attorney	Date
	10/18/2013
Washington County Attorney	Date
	10/18/2013
Ramsey County Department of Finance	Date
	10/18/2013
Other	Date



RAMSEY/WASHINGTON COUNTY

RESOURCE RECOVERY PROJECT

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

October 18, 2013

To: Resource Recovery Project Board

From: Joint Staff Committee

Re: Recycling and Organic Waste Grants for Businesses

Background

At its July, 2013 meeting the Project Board approved a resolution which directed staff to prepare implementation plans and materials to address, first organic waste collection and transportation efficiency, either through hauler rebates or generator incentive grants, and, second, for targeted grants to non-residential waste generators, and to bring those plans back to the Project Board for consideration at the September 2013 meeting of the Project Board.

Since 2011 the Project Board has spent a significant amount of time considering policy and strategic direction for managing organic waste, and recycling by non-residential generators in the East Metro area. During that time the Board approved 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, contributed to the two county solid waste plans on commercial recycling and organics management, and authorized a number of contracts and expenditures implement its policies.

The strategic direction on non-residential recycling and organic waste management includes these four broad areas:

1. Outreach and promotion of services and opportunities for recycling and organic waste,
2. Consultation and technical assistance,
3. Financial assistance to businesses to assist with start-up, and
4. Addressing transportation efficiencies for organic waste collection.

Staff have regularly reported on progress made in the first two areas during 2012 and 2013. The two areas related to financial assistance have been researched and examined. At its July, 2013 meeting, staff provided background, the results of research, and recommendations related to the remaining two strategies related to financial interventions that could result in greater recovery of organic waste. The Board directed staff to prepare specific recommendations, which are presented here.

Why Financial Incentives?

There are two principal reasons for the Ramsey/Washington County Resource Recovery Project (R/W Project) to offer financial incentives to non-residential waste generators to stimulate initial or enhanced recovery of food waste/source-separated organics (food/SSO) and other types of recycling. First, there are barriers that many businesses (including institutions) face that, once overcome, can lead to sustained recycling and food/SSO recovery. Relatively small grants may help overcome these barriers. Second, for food/SSO collection services to fully develop in an efficient manner in the east metro area

and thus become more affordable for businesses that generate food waste and other organic materials, there needs to be a greater density of accounts for food/SSO haulers to service. Providing financial incentives for waste generators can help develop more accounts.

The following is a list of common barriers for businesses that have been identified variously through business surveys and focus groups, discussions with businesses by county staff and consultants, and from the literature. For some businesses there might be only one key barrier, while for others there could be multiple barriers.

- Small volumes of discarded recyclables/food/SSO
- Small volumes of waste overall
- Storage space: indoor, outdoor (including constraints due to municipal zoning requirements for trash/recycling enclosures)
- Cost for trash/recycling/food/SSO collection vs. trash-only collection
- Lack of bins/carts/totes/buckets
- Lack of clear, helpful signage/labeling
- Business staffing issues: time, training, turnover
- Lack of knowledge (management, employees, customers)
- Low priority vs. other business issues
- Multi-tenant building issues: shared services, landlord issues
- For organics: the “yuck factor” for handling food waste; may be different haulers for organics versus trash/recycling; or organics services may not be available or too costly due to route density issues

According to several sources, including the Project’s vendor Waste Wise, the biggest hurdle for many businesses in initiating or expanding recycling and organic waste programs is simply finding a way to get started, which often means addressing one or more of these barriers. Once the change has begun, such as with a combination of technical assistance and financial assistance, some businesses may accept recycling and food/SSO programs, even if the services cost a little more.

Concept: Consistent with the policy direction of the Project Board to use the market to achieve environmental goals, the Resource Recovery Project would create financial incentive programs targeted as directly at waste generators as possible. To address barriers for businesses, grants would be available to overcome start-up financial barriers that prevent them from starting recycling or food/SSO programs, or from expanding them. To address route density for food/SSO, a rewards program would be developed to reimburse businesses for the cost of three months of collection service if they are new to food/SSO services, or for two months of collection service if they have a program but want to expand or improve it.

Components: There are three elements to the program: Starter Grants, Container Grants, and Rewards Program, described in detail below, and in a summary matrix on page 7 of this memo.

Starter Grants and Container Grants

The overall purpose of R/W Starter Grants and Container Grants is to help businesses bridge barriers in undertaking or improving recycling and food/SSO recovery programs, leading to ongoing program improvements that divert increasing portions of recyclables and food/SSO from the trash. Two types of grants would be available. First, Starter Grants, which are financial awards to businesses, and second, Container Grants, which are recycling/food waste/SSO collection containers that are provided to businesses no cost.

Eligible applicants

Both Starter and Container Grants would be available to any for-profit or non-profit non-residential waste generator in Ramsey and Washington Counties excluding:

- The federal government;
- The State of Minnesota;
- Regional Agencies;
- The University of Minnesota and MSCU Facilities; and
- Public Entities in Ramsey County that have other County grant programs available

Starter Grants and Container Grants could be available to any eligible entity that is sufficiently “excited” to initiate or expand a recycling and/or food/SSO program. As part of the application process, applicants would agree to host a visit from one of the Project’s technical assistance vendors to review current on-site waste operations and equipment, discuss the applicant’s objectives and approach, determine project reporting parameters, and assist with preparing the grant application, plus assisting with project reporting once the project is underway.

Grant amounts

- Initially the grants would be offered on a first-come first-served basis. Based on experience, that could be modified in subsequent years by making the grants competitive.
- For Starter Grants, there would be a maximum grant amount of \$10,000, but no minimum amount, to ensure that a variety of entities would receive funding.
- For Container Grants, the maximum value of the containers granted would not exceed \$10,000 per recipient.
- For entities seeking a Starter Grant and Container Grant, the total grant and value of containers combined would not exceed \$10,000 per recipient.

Starter Grants: Potential types of eligible expenses: Examples of eligible expenses include:

- Sorting stations.
- Totes, carts, cart tippers, and other waste containers for transporting to containers serviced by their hauler.
- Compactors, balers, and organics management systems for storage, managing odor and space concerns for businesses generating large quantities of recyclables or organics.
- Up to 6-month supply of compostable plastic bags for lining organics collection containers and compostable food service ware.
- New reusable food service ware if converting from disposable food service ware.

- Construction of upgrades to loading docks & enclosures to accommodate expanded recycling, food waste, or SSO programs.
- Software, equipment, and/or systems that help businesses gain efficiencies in material usage.
- Signage, labels and other recycling, food waste, or SSO program educational materials.

Container Grants

For recycling and food/SSO containers (bins, barrels, carts), a process will be created to evaluate and procure an array of bins/carts/containers. This approach is similar to Ramsey County's current bin grants program for public entities, and Hennepin County's new program for providing Accelerated Grants to businesses for bins. Eligible applicants would receive a grant of containers, rather than funding, as their grant.

Grant administration and grant payment structure issues

Every effort would be made to make the administration as simple as possible, while being within the spirit of Ramsey County contracting and accounting procedures.

R/W Project technical assistance

The R/W Project intends to continue contracting with Waste Wise and J.L. Taitt and Associates in 2014 and 2015 to identify and provide technical assistance on recycling and food/SSO programs for businesses and institutions in the two counties. Thus, the consultants can help promote the availability of Starter Grants and Container Grants, identify businesses and institutions for which a grant(s) might be suitable, help interested businesses in the application process, and coordinate initial start up training and education. Waste Wise reports that a number of businesses they have met with have asked whether funding assistance was available.

Reporting and evaluation

Waste Wise and J.L. Taitt would work with each grantee on reporting and evaluation parameters. At a minimum, grantees would be required to report both baseline pre-grant and post-grant quantities of a) materials recycled, b) food/SSO recovered, and c) trash.

Rewards Program for Initial or Enhanced Food Waste/Source Separated Organics Collection

Improving recovery of food waste and source separated organics (food/SSO) is a priority for Ramsey and Washington Counties. Through a joint powers board, the Ramsey/Washington County Resource Recovery Project (R/W Project) and Counties are working together to explore options to increase food/SSO recovery opportunities. A key barrier limiting the growth of food/SSO recovery in the east metro area has been identified as the high cost of transportation due to the lack of adequate food/SSO route density and the distance to existing processing facilities/end markets.

To address route density, it is proposed that the Project develop a Rewards Program that would fund food/SSO collection processing, and marketing by providing:

- New customers of food/SSO collection with three months of free service, and
- Existing customers, which promise to improve their programs, with two months of free service.

This program would be developed in partnership with food/SSO collectors, who would be trained in the program components, and would be able to market their services to businesses, and assist businesses

with completing the necessary paperwork to qualify for the free-service-reimbursement. Both the hauler and the business would be required to certify that this is either a new food/SSO collection operation for the customer (and not just an existing operation switching to a different hauler), or a customer with existing service that agrees to improve their SSO program. The Project will require verification of past food/SSO practices as part of the application process.

Components

- Eligible entities would be the same as those businesses (non-residential generators) eligible for Starter Grants and Container Grants.
- A new customer would select and contract with the food/SSO hauler of their choice. The Project would remain neutral as to which food/SSO provider the business should select. As an aid to businesses, the Project would regularly update its list of food/SSO service providers that it publishes on its ***BizRecycling*** web page.
- To ensure fair treatment for businesses with existing food/SSO recovery and collection systems, the Project will include a reward program component for businesses that evaluate and/or make improvements to their recycling, food/SSO programs.
- The business would be asked to execute a short, simple memorandum of understanding (MOU) with the Project that outlines the details, responsibilities and schedule for all three parties (business, food/SSO collector, the Project) for the service. The Project would require that the collection program be sustained at least for a year after the initial 3-month period.
- One intent of the program and the MOUs is to allow the businesses to implement or expand recycling, food/SSO programs, downsize mixed MSW collection service if possible, and offset and collection cost with savings due reduced level of trash service, including avoided CEC (Ramsey or Washington county environmental charge) and SWMT (Minnesota state solid waste management tax) fees. There may also be savings in the longer term relating to food waste reduction due to better inventory management (e.g., reduced amounts of food purchased). This downsizing and savings calculation would be part of the expectations itemized in the MOU.
- The MOU for all businesses receiving Rewards Programs services would provide that the business would agree to invite a Project consultant for technical assistance and evaluation.
- The MOU would also provide that, once the food/SSO program has been initiated or program improvements begun, the Project's consultant would follow up after six months and again after a year to evaluate the success of the program, including assessing if the customer continued and sustained the new food/SSO collection service based on savings alone.
- The Project would remain neutral as to the technology (or end market). All types and forms of food waste and SSO management would be treated equally under this program.

- Monthly invoices from haulers to the Project for the program could be required to calculate costs or savings and identify line item details (e.g., collection services; processing tipping fees or revenues; equipment rental; compostable liners/bags).
- The grant eligible programs must include a training/education component for haulers and generators. The training for haulers is critical, as they would be in a position to assist customers in completing necessary applications and materials. This training/education should emphasize the need for clean, high quality food/SSO.

Funding: The R/W Project has funds budgeted for each year 2014 and 2015 for these programs, in the amount of \$500,000. It is recommended that this funding be used for the programs described above, and that the programs be implemented on a first-come-first-served basis during these first two years.

Action Requested

The Project Board is requested to

- Approve the concept of the financial interventions program described by staff, including starter grants, container grants and a rewards program;
- Authorize the Joint Staff Committee, working with the county attorneys, to design and implement administrative procedures and agreements to implement the program; and
- Authorize the Lead Staff Person for the Project to execute grant agreements.

Resource Recovery Recycling and Organic Waste Grants for Businesses				
	Starter Grants	Container Grants	Rewards Program New Organics Service	Rewards Program Existing Organics Service
Eligibility	Any for-profit or non-profit non-residential waste generator in Ramsey and Washington Counties excluding the federal government; the State of Minnesota; Regional Agencies; the University of Minnesota and MSCU Facilities; and public entities in Ramsey County that have other County grant programs available			
Eligible Expenses	Start up expenses such as equipment purchase and installation, software and/or data systems, signage, labels and other Educational expenses.	Containers are provided by the Project, based on orders; placed by grantees.	Cost of SSO collection services for first three months of service	Cost of SSO collection services for first two months after improved service initiated
Guidelines	<ul style="list-style-type: none"> • Complete a grant application • Agree to host a visit from one of the Project's technical assistance vendors to review current operations, the applicant's objectives and approach, reporting, and provide assistance • Enter into a grant agreement • Agree to carry out recycling activities for an 18-month term • Provide a report on progress • Agree to serve as a "Success Story" if asked • No matching funds required 		<ul style="list-style-type: none"> • A new customer would select and contract with the food/SSO hauler of their choice. • Complete a memorandum of understanding (MOU) with the Project • Agree to invite a Project consultant for technical assistance and evaluation • All types and forms of food waste and SSO management would be treated equally under this program. • Provide information to verify collection service costs • Collection to be sustained for a year after the initial period 	
Amount of Funding	Up to \$10,000	Up to \$10,000 in container Value	Three months of service reimbursed	Two months of service reimbursed
	For entities seeking both a Starter Grant and Container Grant, the total grant and value of containers combined would not exceed \$10,000			
Administration	Every effort would be made to make the administration as simple as possible, while being within the spirit of Ramsey County contracting and accounting procedures.		Enter into an MOU with the Project that outlines the details, responsibilities and schedule for the service.	
Reporting and Evaluation	At a minimum, grantees would be required to report both baseline pre-grant and post-grant quantities of a) materials recycled, b) food/SSO recovered, and c) trash.			

Resolution 2013- RR - ____

Whereas, The Joint Powers Agreement creating the Ramsey/Washington County Resource Recovery Project provides that the Project Board shall administer joint solid waste management activities proposed by the Joint Staff Committee, which includes “food waste and organic waste reduction and recycling”; and

Whereas, The Project Board has administered food waste and organic waste outreach, communication and technical assistance for eight years; and

Whereas, The Project Board engaged in information gathering and policy discussion during 2011 to help the Counties define their work on organic waste management as they prepared revisions to their solid waste master plans, and has identified strategies that the Counties should jointly administer; and

Whereas, The Project Board established and implemented an East-Metro Organic Waste and Recycling program including the BizRecycling website, consulting and technical assistant services, and outreach and education to provide resources to non-residential waste generators to assist in reducing costs and meeting environmental goals; and

Whereas, The Project Board authorized staff to explore methods to address transportation efficiencies for collection of organic waste, as well as to design a targeted “Starter Grants” program for non-residential organic waste generators; and

Whereas, The Project Board, in Resolution 2013-RR-3 directed staff to “prepare implementation plans and materials to address, first organic waste collection and transportation efficiency, either through hauler rebates or generator incentive grants, and, second, for targeted grants to non-residential waste generators, and to bring those plans back to the Project Board for consideration at the September 2013 meeting of the Project Board.” Now, Therefore, Be It

Resolved, The Project Board hereby approves the financial interventions program described by staff, including starter grants, container grants and a rewards program. Be it further

Resolved, The Project Board hereby authorizes the Joint Staff Committee, working with the county attorneys, to design and implement administrative procedures and agreements to implement the program. Be it further

Resolved, The Project Board hereby authorizes the Lead Staff Person for the Project to execute grant agreements associated with the financial intervention program in amounts up to \$10,000.