

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

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

MEMBERS PRESENT

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

MEMBERS ABSENT

Commissioner Jan Parker – Ramsey County

ALSO ATTENDING

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

Introductions were made.

APPROVAL OF AGENDA

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

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

APPROVAL OF THE FEBRUARY 23, 2012 MINUTES

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

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

SECTION A: POLICY

Processing Agreement with RRT

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

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

Commissioner Ortega arrived.

The Agreement includes these key elements:

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

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

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

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

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

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

Roll Call: Ayes – 6

Nays – 2

Motion Carried.

Commissioners Lehrke and Pulkrabek opposed.

Amendment to Agreement with Stoel Rives, LLC

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

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

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

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

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

Commissioners Kriesel, Lehrke, Pulkrabek, and Rettman opposed.

Joint Powers Agreement

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

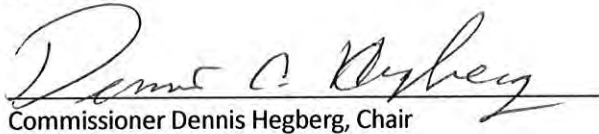
Organic Waste Management Update

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

ADJOURNMENT

Chair Hegberg adjourned the meeting.

Approved:


Commissioner Dennis Hegberg, Chair