



RAMSEY/WASHINGTON COUNTY  
**RESOURCE RECOVERY PROJECT**

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

**MEETING NOTICE**

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

**DATE:** March 29, 2012

**TIME:** 9:00 a.m.

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

**AGENDA:**

- I. CALL TO ORDER**
- II. APPROVAL OF AGENDA**
- III. APPROVAL OF MINUTES – February 23, 2012**
- IV. BUSINESS**
  - A. Policy
    - 1. Processing Agreement with RRT Action
    - 2. Amendment to Agreement with Stoel Rives, LLC Action
    - 3. Joint Powers Agreement Discussion, direction to staff
    - 4. Organic Waste Management Update Information
  - B. Updates
- V. OTHER BUSINESS**

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

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

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Commissioner Toni Carter – Ramsey County

**ALSO ATTENDING**

Mary Elizabeth Berglund, Gary Bruns, Larry Carlson, Dan Donkers, Alex Eichman, Rae Frank, Marty Gagliardi, Chris Gondeck, Zack Hansen, Judy Hunter, Curtis Johnson, Kevin Johnson, Lowell Johnson, Randy Kiser, George Kuprian, Susan Kuss, Danielle Lesmeister, Harry McPeak, Tina Patton, Karen Reilly, Peder Sandhei, Norm Schiferl, Katie Shaw, Warren Shuros, Bill Stamets, Joe Wozniak

Introductions were made.

**APPROVAL OF AGENDA**

Commissioner Parker moved, seconded by Commissioner Rettman, to approve agenda.

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

**APPROVAL OF THE SEPTEMBER 22, 2011 MINUTES**

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

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

**SECTION A: GOVERNANCE**

**Appointment of Executive Committee**

Chair Hegberg said the Executive Committee is composed of the Chair, Vice Chair, and a member of the Vice Chair's County. Chair Hegberg appointed Commissioner Parker to serve on the Executive Committee. The Executive Committee appointees are Commissioners Hegberg, Reinhardt, and Parker.

**Appointment of Budget Committee**

Chair Hegberg appointed Commissioners Carter, Lehrke, and Rettman to serve on the Budget Committee.

**SECTION A: ADMINISTRATION**

**Monthly Report of Budget Activity**

Susan Kuss said the monthly disbursements are routine. There were no questions.

**2012 Work Plan and Meeting Schedule**

Commissioner Reinhardt moved, seconded by Commissioner Lehrke, to approve the proposed 2012 Project Work Plan and meeting schedule to date.

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

**2011 Resource Recovery Results Report**

Zack Hansen summarized the 2011 Resource Recovery Project Results Report.

Commissioner Rafael Ortega arrived.

**SECTION B: POLICY**

**Processing Update**

Judy Hunter summarized issues related to processing of waste at the Newport Facility, policy issues and the future processing in 2012.

**Organic Waste Management Update**

Zack Hansen provided an overview on the East-Metro Organic Waste Management Project and reported on work that is underway.

Gary Bruns presented GIS maps reviewing the high, medium and low generators of organic waste and highlighted the locations of the cluster projects.

**Updates—March Project Board Meeting Date**

The next Project Board meeting has been scheduled for March 29, 2012.

**ADJOURNMENT**

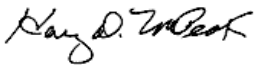
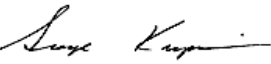

Chair Hegberg adjourned the meeting.

Approved:

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Commissioner Dennis Hegberg, Chair

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

<b>BOARD MEETING DATE:</b> <u>March 29, 2012</u>	<b>DATE SUBMITTED:</b> <u>March 23, 2012</u>
<b>FROM:</b> <u>Joint Staff Committee</u>	
<b><u>DOCUMENT DESCRIPTION:</u></b>	
<b>2013 - 2017 Processing Agreement Terms</b>	
1. Memorandum with two attachments 2. Resolution	
<b><u>BACKGROUND:</u></b>	
<p>Based on direction from the Project Board Chair and Vice Chair, staff, attorneys and consultants have negotiated the material terms of a processing agreement with RRT for a five year term, 2013 – 2017. Final language on a processing agreement is being developed, but is not finished. It is in RRT's and the Counties' interests to move forward with the process of agreeing on material terms. Staff are requesting the Project Board to accept the material terms, direct staff to complete a Processing Agreement, and bring the final Processing Agreement to the Ramsey and Washington County Boards for consideration.</p>	
<b><u>PROJECT BOARD ACTION REQUESTED:</u></b>	
<p>1) Accept the material terms of the 2013-2017 Processing Agreement; 2) Direct staff to complete a Processing Agreement with RRT incorporating the terms, and 3) present the final Processing Agreement directly to the Ramsey and Washington County Boards for consideration.</p>	
<b><u>FINANCIAL IMPLICATIONS OF ACTION:</u></b>	
<p>The Counties would be responsible for paying a rebate to haulers that deliver County Waste to the Facility; the amount of the rebate in 2013-2015 is \$20 per ton, thereafter the level of the rebate depends on the amount of County waste secured by RRT, but would not exceed \$20 per ton. This is a reduction in the amount of County funding of processing when compared to the current Processing Agreement.</p>	
<b><u>ADMINISTRATIVE COMMENTS:</u></b>	
<b><u>REVIEWED BY:</u></b>	
	
3.26.12	
Ramsey County Attorney	Date
	
3.26.12	
Washington County Attorney	Date
	
	3.26.12
Budgeting & Accounting	Date



RAMSEY/WASHINGTON COUNTY

**RESOURCE RECOVERY PROJECT**

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March 26, 2012

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

**Summary and Action Requested**

Staff, attorneys and consultants have negotiated the terms of a processing agreement with RRT for a five year term, 2013 – 2017. Final language on a processing agreement is being developed, but is not finished. It is in RRT's and the Counties' interests to move forward with the process of agreeing on material terms. Staff are requesting the Project Board to accept the material terms, direct staff to complete a Processing Agreement, and bring the final Processing Agreement to the Ramsey and Washington County Boards for consideration.

Staff have requested that RRT provide written agreement with the material terms, and expect RRT to provide that prior to the Board's consideration of this item.

**Background**

The current Processing Agreement with Resource Recovery Technologies, LLC (RRT) expires at the end of 2012. In November, 2011 RRT initiated negotiations for continued financial support for processing by sending a letter requesting funding by the Counties for processing after 2012. RRT stated that it needed this support in order to be able to secure hauler contracts. RRT cited a "market gap" between the price of landfills and processing of waste.

Staff and consultants have been tracking the waste market in order to identify whether continued county involvement is needed after 2012 to support processing. In answer to the question "is the market based processing system working?" the answer is that while there have been some slight improvements; it seems likely that there will be a need for some type of additional agreement with RRT for at least a few years.

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. However, the Project's staff and consultants have determined that it is likely that there is a need for some type of "bridge" agreement between the Counties and RRT for at least a few years of additional hauler rebate support. These are the principal reasons:

- The facility will not be in an economic position at the end of 2012 to compete with landfills in order to secure waste hauler delivery agreements.

- While the MPCA has plans to enforce Minn. Stat. Section 473.848, intending to require waste processing facilities to be fully utilized, the effect of the Agency's work will not be felt until at least a year, and perhaps longer, after 2012.
- Small and medium-sized waste haulers are generally supportive of the facility, and the Counties' involvement. They have stated that at projected pricing without County involvement, they would be forced economically to look at cheaper landfill disposal options. They will start looking soon.

Following a briefing with the Project Board Chair and Vice Chair in December, 2010, staff, attorneys and consultants moved forward to examine Project options, and to negotiate an agreement with RRT. Negotiations began in December and concluded with a proposed terms for an agreement in mid-March. The terms are presented in Attachment A to this Agreement, which is attached to the draft Resolution.

### **Overview of Agreement**

The Agreement includes these key elements (see Attachment A for details)

- 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.

### **Consequences of Moving forward with an Agreement**

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

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

### **Financial Projections**

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

### **Attachments**

- Attachment A, Term Summary, follows the draft Resolution
- Attachment B, Financial Considerations, is on the next page

**Attachment B: Financial Consideration Associated with Processing Agreement**

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

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

<b>2013 - 2017 Projected Resource Recovery Payments for Processing Waste at 300,000 tons delivered</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
<b>Hauler Rebate</b>	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$30,000,000

Notes: Hauler Rebate of \$20 per ton; assumes 300,000 tons of waste delivered each year

<b>2013 - 2017 Projected Resource Recovery Payments for Processing Waste - 300,000 tons</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
<b>Ramsey County</b>	\$4,380,000	\$4,380,000	\$4,380,000	\$4,380,000	\$4,380,000	\$21,900,000
<b>Washington County</b>	\$1,620,000	\$1,620,000	\$1,620,000	\$1,620,000	\$1,620,000	\$8,100,000

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

<b>2013 - 2017 Projected Resource Recovery Payments for Processing Waste at 420,000 County tons</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
<b>Hauler Rebate</b>	\$8,400,000	\$8,400,000	\$8,400,000	\$7,560,000	\$7,560,000	\$40,320,000

Notes: Hauler Rebate of \$20 per ton 2013 - 2015, \$18 per ton 2016-2017; assumes all county waste is delivered, 420,000 tons each year

<b>2013 - 2017 Projected Resource Recovery Payments for Processing Waste - 420,000 tons</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
<b>Ramsey County</b>	\$6,132,000	\$6,132,000	\$6,132,000	\$5,518,800	\$5,518,800	\$29,433,600
<b>Washington County</b>	\$2,268,000	\$2,268,000	\$2,268,000	\$2,041,200	\$2,041,200	\$10,886,400

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

**RESOLUTION 2012-RR-**

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

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

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

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

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

**WHEREAS**, The Resource Recovery Project staff, consultants and attorneys have entered into discussions with RRT to develop a new agreement for processing after the expiration of the current Processing Agreement and the result of those discussions are material terms and conditions for a Processing Agreement for 2013 – 2017.

**NOW THEREFORE, BE IT RESOLVED**, 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.

**BE IT FURTHER RESOLVED**, the Project Board directs staff to prepare an agreement, based on the material terms and conditions, with RRT for approval by the Ramsey and Washington County Boards.

**BE IT FURTHER RESOLVED**, the Project Board directs staff to bring forward the Processing Agreement directly to the County Boards and recommends approval of that Agreement.

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Commissioner Dennis Hegberg, Chair

March 29, 2012



**Ramsey-Washington Resource Recovery Project  
Term Summary  
March 26, 2012**

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

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

**Key Terms:**

1. **New Agreement:** This will be a new Agreement to replace the existing agreement, with many of the key provisions related to obligations and guarantees remaining.
2. **Term:** Most provisions would be five years: 1/1/13 through 12/31/17. However, the process to establish an option purchase price for the facility would begin after execution in 2012 and would be completed by 12/31/12.
3. **Use of Facility:** RRT will continue to use the Facility for solid waste processing and RDF production. RRT will continue to be free to accept waste from other counties (Non-County Waste) at any tipping fee, but would have to give priority to Ramsey & Washington County waste.
4. **Waste Procurement:** RRT will continue to contract with Ramsey and Washington County waste haulers to assure waste supply.
5. **Hauler Access:** All waste haulers that serve the Counties will continue to be assured of Facility access.
6. **Tipping Fee:** RRT will continue to be responsible to establish and collect the tipping fees.
7. **Public Entity Waste:** Ramsey/Washington Counties Public Entity waste has to be accepted at the lowest price offered at the Facility.
8. **Landfill Contract:** RRT will be responsible for contracting for landfill capacity for residue and rejects.

9. **Public Access to Facility:** The facility must be available to residents of Ramsey and Washington Counties.

10. **Hauler Rebate Programs.** The Counties will continue to offer throughout the Term a Licensed Hauler rebate program that pays Licensed Haulers a processing rebate for each Ton of County Waste accepted at the Facility or any Alternative Facility Collection Point, as follows:

	2013	2014	2015	2016	2017
Counties' Processing Rebate per Ton of County Waste to Licensed Haulers	\$20.00	\$20.00	\$20.00	To Be Determined in 2015	To Be Determined in 2015

The Counties will pay the processing rebate directly to the Licensed Haulers.

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

- A. If, by October 1, 2015, RRT has contracted for annual delivery of a total of 337,500 tons of County Waste, then the Counties will provide a Hauler rebate of nineteen Dollars (\$19.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.
- B. Should RRT not have a total of 337,500 tons of County Waste under contract, but have received 337,500 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of nineteen Dollars (\$19.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.
- C. Should RRT not have a total of 350,000 tons of County Waste under contract, but have received 350,000 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of eighteen Dollars (\$18.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.
- D. Should RRT not have a total of 350,000 tons of County Waste under contract, but have received 350,000 tons of County Waste, during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of eighteen Dollars (\$18.00) per ton for delivery of County Waste to the Facility in 2016 and 2017.
- E. If, by October 15, 2015, RRT does not have a total of 337,500 tons of County Waste under contract, or should RRT not receive a total of 337,500 tons of County Waste during the period of September 1, 2014 through August 31, 2015, then the Counties will provide a Hauler rebate of (twenty Dollars) \$20.00 per ton for delivery of County Waste to the facility in 2016 and 2017.

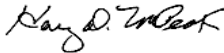

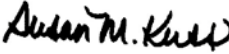
11. **Dakota County:** If Dakota County pays RRT for MSW processing or creates a hauler rebate program, RRT will provide a payment to the Counties, calculated on annual quarterly basis, but only if this payment or hauler rebate is an incremental revenue benefit to RRT.
12. **Performance by the Vendor: Fuel Production and Fuel Use:** There would continue to be two processing efficiency standards: 85% of waste delivered must be processed; and 85% of waste processed must be recovered as metal or RDF.
13. **Organics Transfer:** RRT will use its best effort to provide a transfer station available to organic waste haulers for organic waste collected from Ramsey and Washington Counties. The Counties are not obliged to work solely with RRT on organics transfer capacity.
14. **Option to Purchase:**
  - A. The Counties will continue to have an exclusive option to purchase the Facility, equipment, transfer trailers, contracts and other related assets if at any time during the Term RRT:
    1. decides to sell the Facility;
    2. decides to cease using the Facility for waste processing and/or RDF production; or
    3. defaults.
  - B. Beginning January 1, 2016, the Counties will have an option to purchase that could be exercised at any time thereafter during the Term. If the Counties give notice to exercise the option, the transfer occurs within 180 days after notice of exercise of the option.
  - C. Hauler delivery agreements, the Xcel RDF Agreement, Landfill Agreements and other key agreements shall be assignable to the Counties in the event of transfer of the Facility to the Counties.
  - D. The Agreement will provide a process to establish the Facility purchase price:
    1. The purchase price will be comprised of: a) the assessed value of the land and buildings, as determined by the Washington County Assessor; b) value of the processing and material handling equipment, including transfer trailers and mobile equipment such as loaders and yard tractors, c) all existing spare parts and tools inventory, and d) RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs.
    2. In any event, the total purchase price encompassing items a, b, and c, in D.1. above, shall not exceed the \$16.8 million price that RRT has put forward. RRT's documented capital costs incurred during the Agreement minus depreciation on those capital costs would be in addition to the provided price.

This applies to the purchase price that would result from good faith negotiations pursuant to part 3.b. below.

3. Because a purchase price has not been agreed to at this time, and because the core of the agreement between RRT and the Counties becomes effective on 1/1/2013, a process for establishing the purchase price during 2012 is agreed to include, as a condition to the remainder of the agreement becoming effective, and prior to 1/1/2013:
  - a. RRT will provide full access to the facility to the Counties' agents for an appraisal.
  - b. The Counties and RRT will negotiate in good faith to arrive at a purchase price to include in the agreement by July 31, 2012.
  - c. Should RRT and the Counties not arrive at a negotiated purchase price by July 31, 2012 the parties will enter into binding arbitration to establish a price by 12/31/2012.
4. The establishment of a purchase price either through negotiation or arbitration does not commit the Counties to purchasing the Facility but is only a step in the determination of whether the Counties wish to exercise the option to purchase.

**AGENDA ITEM A-2**

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

<b>BOARD MEETING DATE:</b> <u>March 29, 2012</u>	<b>DATE SUBMITTED:</b> <u>March 23, 2012</u>
<b>FROM:</b> <u>Joint Staff Committee</u>	
<b><u>DOCUMENT DESCRIPTION:</u></b>	
<b>Amendment to Agreement with Stoel Rives</b> 1. Resolution	
<b><u>BACKGROUND:</u></b>	
<p>The Resource Recovery Project has retained the firm of Stoel Rives LLP for consulting services on policy and legal matters. Stoel Rives has significant expertise in waste, environmental and energy, and has been important in Project work related to RRT and policy development. The 2012 approved Resource Recovery Project Budget has \$30,000 for outside policy and legal services for 2012.</p> <p>Stoel Rives has provided significant assistance in the discussions with RRT for waste processing, and there will continue to be the need for legal assistance as the parties complete the agreement. The 2012 budgeted amount for this work will not be sufficient to complete this work. Additional funding is needed for two purposes: 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. Funds are available in the 2012 Project Budget that can be used for this amendment.</p>	
<b><u>PROJECT BOARD ACTION REQUESTED:</u></b>	
<p>Authorize the Chair of the Project Board to execute an amendment to the Agreement with Stoel Rives, in an amount not to exceed \$30,000 for legal services, and an amount not to exceed \$50,000 to engage appraisal services, in a form approved by the County Attorney, and approved a budget adjustment to transfer funds within the budget.</p>	
<b><u>FINANCIAL IMPLICATIONS OF ACTION:</u></b>	
<p>The total cost of the amendment is an amount not to exceed \$80,000. Funds are available within the Project Budget that can be transferred for this expense, within the line item for waste processing.</p>	
<b><u>ADMINISTRATIVE COMMENTS:</u></b>	
<b><u>REVIEWED BY:</u></b>	
	
3.26.12	
Ramsley County Attorney	Date
	
3.26.12	
Washington County Attorney	Date
	
	3.26.12
	Budgeting & Accounting
	Date

**Resolution 2012-RR-\_\_\_\_\_**

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

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

WHEREAS, the Project has contracted with the firm of Stoel Rives LLP in 2012 to carry out the consulting services associated with waste processing in an amountof \$30,000; and

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

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

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

RESOLVED the Ramsey/Washington County Resource Recovery Project Board hereby authorizes the Chair of the Project Board to approve and execute 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. BE IT FURTHER

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

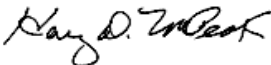

	<u>From</u>	<u>To</u>	<u>Difference</u>
<u>Decrease Appropriations</u>			
4422306      Resource Recovery Facility Service Fee	\$3,500,000	\$3,420,000	(\$80,000)
<u>Increase Appropriations</u>			
421201      Legal Services	\$ 30,000	\$ 110,000	\$80,000

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Commissioner Dennis Hegberg, Chair

March 29, 2012

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

<b>BOARD MEETING DATE:</b> <u>March 29, 2012</u>		<b>DATE SUBMITTED:</b> <u>March 23, 2012</u>	
<b>FROM:</b> <u>Joint Staff Committee</u>			
<b><u>DOCUMENT DESCRIPTION:</u></b>		<b>Joint Powers Agreement</b>	
		1. Memorandum	
<b><u>BACKGROUND:</u></b>			
<p>Ramsey and Washington Counties have worked together on waste processing through some type of Joint Powers Agreement (JPA) since 1982. First was a JPA for waste-to-energy that dated to 1982, then a JPA for the Resource Recovery Project since 1985. Since 2006 the current JPA has defined the administration of the Processing Agreement for the Facility at Newport, and is coterminous with that Agreement, expiring at the end of 2012. The JPA does provide that it will automatically renew for two-five year terms, unless either County gives written notice to cancel the JPA.</p> <p>It appears that the Counties will soon agree to enter into a new processing Agreement with Resource Recovery Technologies (RRT). That Agreement includes shared responsibilities by the Counties. Further, each County has recently adopted changes to their respective Solid Waste Master Plans. These factors create the opportunity for a review of the Joint Powers Agreement. Staff recommend that the Project Board begin discussing the JPA. Staff further recommend that the Project Board direct staff to work on outlining revisions for a Project Board discussion at its June meeting.</p>			
<b><u>PROJECT BOARD ACTION REQUESTED:</u></b>			
Information Only			
<b><u>FINANCIAL IMPLICATIONS OF ACTION:</u></b>			
None			
<b><u>ADMINISTRATIVE COMMENTS:</u></b>			
<b><u>REVIEWED BY:</u></b>			
		<u>3.26.12</u>	
Ramsey County Attorney		Date	
		<u>3.26.12</u>	
Washington County Attorney		Date	
		<u>Budgeting &amp; Accounting</u>	
		Date	



March 23, 2012

**To: Resource Recovery Project Board**

**From: Joint Staff Committee**

**Re: Resource Recovery Joint Powers Agreement**

**Background:**

Ramsey and Washington Counties have worked together on waste processing through some type of Joint Powers Agreement (JPA) since 1982. First was a JPA for waste-to-energy that dated to 1982, then a JPA for the Resource Recovery Project since 1985. Since 2006 the current JPA has defined the administration of the Processing Agreement for the Facility at Newport, and is coterminous with that Agreement, expiring at the end of 2012. The JPA does provide that it will automatically renew for two-five year terms, unless either County gives written notice to cancel the JPA.

It appears that the Counties will soon agree to enter into a new processing Agreement with Resource Recovery Technologies (RRT). That Agreement includes shared responsibilities by the Counties. Further, each County has recently adopted changes to their respective Solid Waste Master Plans. These factors create the opportunity for a review of the Joint Powers Agreement. Staff recommend that the Project Board begin discussing the JPA. Staff further recommend that the Project Board direct staff to work on outlining revisions for a Project Board discussion at its June meeting.

**Policy Questions**

The current JPA provides that it will automatically renew unless either County gives written notice to terminate, by June 30, 2012. The current JPA is summarized in the next section of this memo. In order to begin the policy discussion, staff present this question: Should the current JPA be allowed to automatically renew, or be modified prior to renewal?

**Summary of the Current JPA**

The current JPA includes these elements.

- I. Introduction – This Section includes definitions for terms included in the JPA, and names the entity created by the JPA as the “Ramsey/Washington County Resource Recovery Project”
- II. Purpose – Outlines the purpose of the JPA is to define the rights, obligations, and responsibilities of each County with respect to administration of the Processing



- Agreement and other agreed upon joint solid and hazardous waste management activities identified in this Agreement.
- III. Term—specifies the term as January 1, 2007 though December 31, 2012, unless terminated earlier. Also states that the JPA can automatically renew for two five-year terms unless written notice of cancellation is given by either County at least six months before the end of the term.
- IV. Governing Body – Creates a governing board called the “Resource Recovery Project Board” (no change). The Board will consist of four representatives from Washington County and five commissioners from Ramsey County. The Chair and Vice Chair will rotate between the Counties on a biennial basis. The Board will meet as needed. Five County Board members constitute a quorum. In subsection B an Executive Committee is created.
- V. Scope and Authority –
- A. States that the Project Board is to administer the Processing Agreement on behalf of the counties, including administering the Processing Payment, monitor and assure compliance with the Processing Agreement, and working with RRT.
- B. States additional responsibilities for the Project board to include the following list.
1. Administering a Hauler Rebate program;
  2. Solid waste education and outreach related to waste processing and other waste management messages;
  3. Food waste and organic waste reduction and recycling;
  4. Household hazardous waste reduction and management;
  5. Mercury waste reduction;
  6. Work with schools, including Facility tours and other efforts; and
  7. Other joint solid waste management projects on behalf of the Counties,
- C. Specifies that the Project Board has the authority to carry out its work, including entering into contracts, and making reports and recommendations to the County Boards.
- D. Retains powers for the County Boards to include bonding, levying taxes, assessing waste management service charges, approving amendments to the Processing Agreement and approving the Project Board budget.
- VI. Project Staff, Consultants and Support
- A. Joint Staff Committee -- Creates a Joint Staff Committee with staff members from the Counties’ respective health departments and the Office of Budgeting and Accounting. Notes that there will be a lead staff person for the JSC, which will be a staff person from the County that currently holds the Chair of the Project Board.
- B. Staff Support – Specifies that the St. Paul – Ramsey County Department of Public Health will carry out administrative duties of the Project Board, including financial management and clerical support.
- C. Consultants – Allows the Project Board to retain consultants.
- D. Budget and Accounting – Specifies that Ramsey County Budget and Accounting Office provides services to the Project.
- E. Data processing – Provides the Ramsey County Information Services provides data processing services.
- F. Payment -- Provides that staff support from the two health departments, the Office of Budgeting and Accounting, the Department of Information Services, the two County Attorney’s offices and Contract Services will be reimbursed.

G. Changes to Administrative Structure – Reserves the power to change the Project Administrative structure to the County Boards.

VII. Obligations of the Counties

- A. Ordinances -- Each County agrees to use its best efforts to enforce its respective Solid and Hazardous Waste Ordinances.
- B. Financing -- The Counties are obligated under the Processing Agreement with RRT to pay a Hauler Rebate for each ton of waste from the Counties delivered for Processing. Responsibility for such payments, and administrative costs, is split between the Counties. The agreed upon proportion of solid waste generation within the Counties is 73% from Ramsey County and 27% from Washington County.

VIII. Miscellaneous Provisions

- A. Liability – Uncontrollable Circumstances
- B. Liability of the Project Board
  - 1. In the event the Project Board is found liable for damage, the damages will be split between the Counties according to the 73%/27% proportion.
  - 2. Any claims settled or judgments rendered against the Project Board subsequent to termination of the JPA this agreement will be split between the Counties according to the 73%/27% proportion; this includes but is not limited to worker's compensation claims, unemployment insurance claims, tort claims, contract claims or civil rights actions.
- C. Counties' Relationship – Specifies that this JPA supersedes all former JPAs related to the Project, and that the agreement has to be amended in writing by the two County Boards. Also notes that the JPA can be terminated by mutual agreement.
- D. Public Collection -- The Counties conducted a joint study of Public Collection in 2001 and 2002, and took identical action with regard to public collection in 2002. The purpose of the Processing Agreement with RRT is to seek environmentally sound management of solid waste in a market-based approach. The Counties recognize, should market efforts fail in meeting environmental goals, that public collection should be reexamined as a means of assuring wise management of solid waste.

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

<b>BOARD MEETING DATE:</b> <u>March 29, 2012</u>	<b>DATE SUBMITTED:</b> <u>March 23, 2012</u>
<b>FROM:</b> <u>Joint Staff Committee</u>	
<b><u>DOCUMENT DESCRIPTION:</u></b> <span style="float: right;"><b>East-Metro Organic Waste Management Project</b></span>	
<b><u>BACKGROUND:</u></b> <p>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 throughout 2011 the Project Board decided on a vision and milestones for commercial organic waste management, gathered information from the public and private sectors on about how to increase further organic waste recovery, provided strategic direction to staff, and authorized a number of contracts and expenditures to set things in motion. Staff will provide an oral update on progress on the East-Metro Organic Waste Management Project.</p>	
<b><u>PROJECT BOARD ACTION REQUESTED:</u></b> <p>Information Only</p>	
<b><u>FINANCIAL IMPLICATIONS OF ACTION:</u></b> <p>None</p>	
<b><u>ADMINISTRATIVE COMMENTS:</u></b>	
<b><u>REVIEWED BY:</u></b>	
<u>Ramsey County Attorney</u>	<u>Date</u>
<u>Washington County Attorney</u>	<u>Date</u>
<u>Budgeting &amp; Accounting</u>	<u>Date</u>