



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

**MEETING NOTICE  
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD  
FACILITY AND FINANCE COMMITTEE**

**Date:** Monday, March 8, 2021  
**Time:** 12:00 pm to 2:00 pm  
**Virtual meeting:** <https://zoom.us/j/97428489690?pwd=NVFFRGVlVExkVVU4Ni9jRUVLUU10QT09>  
Phone: +1-651-372-8299 | Meeting ID: 974 2848 9690 | Password: 467561

The Chair of the Ramsey/Washington Recycling and Energy Board has determined that an in-person meeting is not practical or prudent because of the COVID-19 pandemic and the declared state and local emergencies. Commissioners will participate by telephone or other electronic means and the Board meeting will be conducted pursuant to and in compliance with Minnesota Statute 13D.021 and 13D.04 Subd. 3. Members of the public will be able to watch the public meeting live online.

**AGENDA**

- I. Call to Order, Introductions, Commissioner Roll Call**
- II. Approval of Agenda** Action Page 1
- III. Approval of Minutes – June 18, 2020** Action Page 2
- IV. Business**
  - a. 2020 Budget Overview Information Page 8
  - b. 2022-23 Budget Preparation Information Page 10
  - c. Labor Agreement Action Page 14
  - d. End-Use Market Request for Proposals (RFP) Phase I Recommendations Action Page 19
- V. Updates and Reports** Information Page 29
  - a. R&E Center Updates
  - b. Joint Activities Updates
- VI. Adjourn**

**NEXT MEETING:**

Thursday, April 15, 2021 | 10:00 am – 12:00 pm | Zoom



**THURSDAY, JUNE 18, 2020**  
**RECYCLING & ENERGY BOARD FACILITY & FINANCE COMMITTEE MINUTES**

A meeting of the Ramsey/Washington Recycling & Energy Board Facility & Finance Committee (Facility & Finance Committee) was held as a virtual Zoom meeting at 10:00 a.m. on Thursday, June 18, 2020. Essential staff participants met at the Ramsey County Environmental Health Office, 2785 White Bear Avenue North, Suite 350, Maplewood, Minnesota. Other participants joined through Zoom.

*The chair of the Ramsey/Washington Recycling and Energy Board has determined that an in-person meeting is not practical or prudent because of the COVID-19 pandemic and the declared state and local emergencies. Commissioners will participate by telephone or other electronic means and the board meeting will be conducted pursuant to and in compliance with Minnesota Statute 13D.021 and 13D.04 Subd. 3. Members of the public will be able to watch the public meeting live online.*

**MEMBER PRESENT**

Commissioners Toni Carter, Trista MatasCastillo – Ramsey County  
Commissioner Wayne Johnson – Washington County

**IN ATTENDANCE AT RAMSEY COUNTY ENVIRONMENTAL HEALTH**

Leigh Behrens, Zack Hansen, Sam Holl, Katie Keller, Nikki Stewart, Jody Tharp, Jordan Thone

**ATTENDING REMOTELY**

Kathy Aho, Mary Elizabeth Bergman, Shannon Conk, Leslie Duling McCollam, Dushani Dye, Rae Eden Frank, Tom Gratz, Kelli Hall, Sam Hanson, Kevin Johnson, J. Ketchum, Bruce Kimmel, Jennefer Klennert, Nate Klett, Gary Kriesel, Andrea McKennan, Tate Moeller, Jessica Paquin, Afriani Rohim, Jim Smith, Chris Swanson, Mark Thompson Britta Torkelson, Margaret Vesel, Margaret Zuckweiler

**CALL TO ORDER AND COMMISSIONER ROLL CALL**

Commissioner Carter called the meeting to order at 10:00 a.m. The statement regarding conduct of a remote meeting was read by Commissioner Carter. Introductions of participants present at Maplewood were made.

Roll Call	<u>Commissioner</u>	<u>Present</u>	<u>Absent</u>
	Carter, Chair	X	
	Johnson	X	
	MatasCastillo	X	

**APPROVAL OF AGENDA**

Commissioner MatasCastillo moved; seconded by Commissioner Johnson, to approve the agenda.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	MatasCastillo	X	

Ayes: 3      Nays: 0      Motion Carried.

**APPROVAL OF R&E FINANCE & FACILITY COMMITTEE MINUTES – May 21, 2020**

Commissioner MatasCastillo moved, seconded by Commissioner Johnson, to approve the May 21, 2020 minutes.

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	MatasCastillo	X	

Ayes: 3      Nays: 0      Motion Carried.

**FINANCE**

No agenda items.

**FACILITY**

**Enhancements Financing**

Britta Torkelson, Capitol Hill Associates, presented an update on the legislative session. There is currently little to no movement in the House, and negotiations with the House minority continue. Senator Senjem introduced his version of a bill that includes R&E Center enhancements; it hasn't moved to floor vote. It is looking less likely that a bonding bill will happen in June.

Commissioner MatasCastillo shared that in the latest negotiations in the Senate, R&E will be included at \$8 million. Senators Senjem and Murphy are still in negotiations, with Senator Murphy pressing for more money for R&E.

Nikki Stewart presented the principles for decision making for enhancements which include planning for a 20-30 year horizon, building on the current system and allowing changes in processing to emerge over time, assuring flexibility, managing risks, and pivoting the view from “waste” to “resources” to add value to the local economy and the environment. Dimensions of R&E analysis for planning and research include alignment with priorities, technology potential, finance, environmental and energy considerations, community engagement, equity, risk management, economic development, political relationships, and complexity.

Zack Hansen indicated that the importance of state funding can't be understated when looking at risk. The principal risk is insufficient revenue, which would result in R&E not being able to make debt payments. Short- and long-term mitigation measures are available to R&E to control expenses, fill gaps, increase revenue, and increase waste volumes. Stress tests conducted demonstrate that these measures can work. At this time, R&E does not expect Ramsey County or Washington County to encounter problems selling bonds. R&E's suggestion is that the Facility & Finance Committee not act on a recommendation or resolution at this meeting. It will be brought forward at the full board meeting on July 23.

Commissioner Carter stated that the Facility & Finance Committee is unable to act at this meeting due to the lack of bonding action at the state level and asked for discussion.

Commissioner Johnson shared that a Washington County Finance Department concern is that this project not require raising of a levy, in hopes of passing on as little cost as possible to haulers and consumers.

Commissioner MatasCastillo indicated she is comfortable with the plan as laid out.

Commissioner Carter stated that, in the absence of bonding information, the committee will move on without recommendation and resolution. This will be discussed at full board meeting next week.

## **UPDATES AND REPORTS**

### **End-Use Markets Solicitation Review**

Leigh Behrens, R&E Planning Specialist, presented background information for end-use markets solicitation. R&E Center enhancements will separate two new material streams: source-separated organics in durable compostable bags (DCBs), and organic-rich material (ORM) from the recyclables recovery system. The R&E Center currently produces refuse derived fuel (RDF) for Xcel, with an agreement that expires in 2027. Because capacity for organics in the metro area is challenged, and redundancy mitigates business risk, it is important to identify multiple material management options. There is momentum and experience in waste technology industries, for example anaerobic digestion, and shifts in demand for clean energy.

There are three feedstock materials from the R&E Center that vendors will be able to address in solicitation, including source-separated organics in DCBs, ORM from the recyclables recovery system, and RDF. Potential technologies for managing materials include:

- Anaerobic Digestion (AD) – Organic waste (food scraps, agricultural waste, wastewater solids, etc.)
- Gasification – Biomass-based waste materials (ORM, RDF, MSW, industrial waste, wood waste, etc.)
- Chemical Recycling – Non-biogenic wastes (hard-to-recycle plastics, MRF residue, RDF, etc.)

There are two phases of the solicitation process, and the request for proposals (RFP) will cast a wide net, allowing vendors to respond to manage one, two, or all three types of materials. The overall timeline was presented:

- Procurement Phase 1 – August 2020-January 2021
- Procurement Phase 2 – February 2021-August 2021
- Vendor(s) design, permitting, construction, commissioning – 2021-2026+
- Estimated commencement of facility operations – 2027

Commissioner Johnson asked whether one of the systems worked better in Minnesota's climate. Klennert indicated that during the February site visits in Toronto, they saw AD working fine in that climate. Gasification is also functioning well in parts of Canada and Europe.

Commissioner Johnson asked what type of fuel is produced with a chemical recycling system. Behrens stated that when plastic breaks down to molecular level, it can take a pathway similar to fossil virgin petroleum fuels (diesel fuel, ethanol).

Commissioner Johnson asked for confirmation that this fuel cannot be converted back into natural gas or electricity. Klennert confirmed that is correct.

Commissioner MatasCastillo asked whether R&E would have to find the market to sell the products of a chemical recycling process. Behrens responded that the market for those products would be the responsibility of the vendors.

Commissioner MatasCastillo observed that the ideal situation would be to have all three systems (AD, gasification, chemical recycling). Zack Hansen said it is possible to have contracts for all three technologies, perhaps even a vendor that can offer two of these technologies.

Commissioner Johnson asked whether there is risk in having too many vendors and whether R&E produces enough material to make it a worthwhile business for multiple vendors. Hansen stated that it is important to find the right balance between having only one market (e.g. Xcel) and having too many markets.

Commissioner MatasCastillo commented that when looking at AD in San Luis Obispo, a concern was the amount of available feedstock. Is emerald ash borer-infected wood a potential feedstock? Hansen responded that District Energy and Xcel continue conversations about alternate markets, and the Partnership on Waste and Energy (PWE) is in conversation with District Energy on this issue.

Commissioner Carter stated that it is clear that R&E has an imperative to move forward because of the timeline. The committee agrees this is the direction it wants R&E to move in, and endorses moving forward with presentation to the full board in August. This statement was affirmed by Commissioners Johnson and MatasCastillo.

#### **Durable Compostable Bag (DCB) Update**

Leigh Behrens presented an update on work being done on DCBs. JLT was authorized to seek proposals for manufacture and distribution of DCBs in August 2019. R&E staff and Foth are working on specifications for bags, including thickness, durability, compostability, packaging, color and printing, and in-load testing. Public engagement and input on bag size and quantities is ongoing.

The preliminary design for the ordering and fulfillment system was described. Organix Solutions has prepared a proposal with partners Creed Interactive and King Solutions. This proposal is currently in negotiations, with a plan to bring forward a contract in third quarter 2020. The website development process would start in fourth quarter 2020, with robust user testing and community input. Customer service and logistics with manufacturer/fulfillment would be in place in fourth quarter 2020.

Zack Hansen addressed the role of transfer stations in DCBs. R&E has been in discussions with six privately-owned transfer stations currently under contract for transferring waste to the R&E Center. R&E will pay participating transfer stations a fee for processing the trash to remove DCBs containing organics. The fee will include the recovery of the appropriate private capital costs incurred. Discussions continue, addressing costs of sorting and compensation for organics separation. Transfer stations will be able to decide if they want to participate in DCB separation, and will not be required to do so by R&E. The term of the contracts is expected to be 10 years. There is no bonding request for the transfer stations.

Behrens explained the interconnected timelines that work together including R&E Center enhancements, markets for materials, transfer stations, bag manufacturing, ordering and fulfillment, marketing to the public.

Commissioner Johnson inquired whether there are other regions successfully using DCBs that R&E can learn from. Jennefer Klennert responded that Foth is actively researching similar programs, for example Hennepin County; Boulder, CO; and some east coast cities.

Commissioner Johnson stated that it is important to ensure the desire to be puncture-proof isn't in conflict with compostability. Klennert concurred, stating that this is the work that Foth is doing with research and testing.

Commissioner Carter inquired about the purpose for the color of the bags and the use-by dates to be printed on the bags. Behrens explained color considerations for the bags:

- 1) visual recognition by users to use the appropriate bag
- 2) industry standard (manufacturers are generally using green or brown, and Oregon just passed a requirement that compostable bags be green or brown only)
- 3) ensuring whatever the color or opacity, robots will be able to identify and recover the bags

The request for a use-by date came from stakeholders, including compost facilities. When bags are stored too long in a warehouse or under a sink, for example, they start to break down after roughly 12 months.

Commissioner Carter commented that it is important that there are no fines associated with outdated bags and a system to turn in and replace outdated bags should be considered.

#### **Enhancements System Design Update**

Sam Holl, R&E Contract Manager, presented an update on enhancements system design work to be done starting in July 2020 and running through July 2022. Illustrations of the DCB processing line and processing enhancements equipment and their associated floor plans were shared. Construction is estimated to begin in April 2021.

Commissioner Johnson asked about a portion of the DCB floor plan that shows a residents' drop-off area and whether that was part of the DCB project. Holl said it is intended to enhance the resident experience to dispose of bulky items and waste in a safe manner. It is part of the construction project, but not part of the DCB project.

Commissioner Carter asked whether this area currently exists. Holl responded that it does not. Currently, a door to the tipping floor is designated for resident drop-off, requiring additional effort to have them interact safely with trucks. A plan exists for how it will be managed after construction which will allow for better resident safety.

#### **OTHER**

##### **Electric Vehicle (EV) Update**

Sam Holl provided information about a 2020 grant awarded to R&E by the Minnesota Pollution Control Agency (MPCA) for purchase of an EV yard tractor. This grant allows R&E to replace a diesel yard vehicle, decreasing costs for operation and maintenance, and reducing harmful emissions. R&E met with manufacturer Orange EV last week in Kansas City. R&E will seek board approval at the June 25 meeting. MPCA has highlighted another grant period perhaps later this year, which R&E hopes to apply for. The future plan is to replace the other four diesel yard tractors with EVs, with or without grants.

##### **Schedule Next Facility & Finance Committee Meeting**

Nikki Stewart proposed a meeting of the committee on Thursday, July 16, 2020.

Commissioner MatasCastillo moved; seconded by Commissioner Johnson, to approve the July 16, 2020 meeting.

*Facility & Finance Committee Minutes 6-18-20*

Roll Call	<u>Commissioner</u>	<u>Aye</u>	<u>Nay</u>
	Carter	X	
	Johnson	X	
	MatasCastillo	X	

Ayes: 3    Nays: 0    Motion Carried.

**ADJOURN**

Commissioner Carter adjourned the meeting at 1:33 pm.

**NEXT MEETING:**

Thursday, July 16, 2020 | 10:00 am –12:00 pm | Zoom meeting

ATTESTED TO:

Approved: \_\_\_\_\_  
Wayne Johnson, Committee Chair  
March 8, 2021



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

<b>R&amp;E FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>	March 8, 2021	<b>AGENDA ITEM:</b>	IV.a.
<b>SUBJECT:</b>	2020 Budget Overview		
<b>TYPE OF ITEM:</b>	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION
<b>SUBMITTED BY:</b>	Kris Wehlage, Accounting Manager		

**R&E BOARD ACTION REQUESTED:**

For information only.

**EXECUTIVE SUMMARY:**


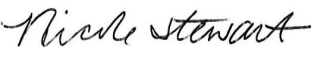


Staff will provide a report on the 2020 budget status, including year-end projections.

**ATTACHMENTS:**

1. 2020 Budget Surplus/Deficit Year-End Projection Report

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM  	2/26/21
RAMSEY COUNTY ATTORNEY 	2/26/21
WASHINGTON COUNTY ATTORNEY 	2/26/21

**Ramsey/Washington Recycling & Energy**  
**SURPLUS/DEFICIT YEAR-END PROJECTION REPORT**  
**As of December 31, 2020**

<b>FACILITY</b>	<b>2020 Approved Budget</b>	<b>2020 Projection</b>	<b>Variance</b>
Personnel Costs	7,900,217	6,748,015	1,152,202
Fuel Supply	7,020,217	5,809,646	1,210,571
Landfill	3,552,335	6,076,254	(2,523,919)
Transportation	7,299,919	6,172,962	1,126,957
Transload	2,249,644	2,275,753	(26,109)
Facility Operations	5,561,594	6,204,639	(643,045)
Contingency	509,295	-	509,295
Enterprise Reserve Fund (ERF)	1,500,000	1,500,000	
Transfer to Equipment Maintenance	1,852,500	1,852,500	-
Debt Services	1,697,155	1,697,155	-
	<u>39,142,876</u>	<u>38,336,924</u>	<u>805,952</u>

Revenue:	<u>39,142,876</u>	<u>38,942,708</u>	<u>(200,168)</u>
Surplus/(Deficit)	-	605,784	605,784

<b>JOINT ACTIVITIES</b>	<b>2020 Approved Budget</b>	<b>2020 Projection</b>	<b>Variance</b>
Project Management	1,571,964	1,594,092	(22,128)
Non-Residential Recycling	3,603,000	2,835,966	767,034
General Outreach	1,045,000	754,456	290,544
Policy Evaluation	870,000	716,005	153,995
Ramsey County Additional Programs	1,964,000	954,743	1,009,257
	<u>9,053,964</u>	<u>6,855,262</u>	<u>2,198,702</u>

Revenue:	<u>9,053,964</u>	<u>9,070,443</u>	<u>16,479</u>
Surplus/(Deficit)	-	2,215,181	2,215,181

<b>EQUIPMENT MAINTENANCE</b>	<b>2020 Approved Budget</b>	<b>2020 Projection</b>	<b>Variance</b>
Equipment/Maintenance	1,145,000	1,144,830	170



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

<b>R&amp;E FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>		March 8, 2021		<b>AGENDA ITEM:</b>		IV.b.	
<b>SUBJECT:</b>		2022-23 Budget Preparation					
<b>TYPE OF ITEM:</b>		<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION
<b>SUBMITTED BY:</b>		Kris Wehlage, Accounting Manager					

**R&E BOARD ACTION REQUESTED:**

For information only.

**EXECUTIVE SUMMARY:**

During 2021, the Facility & Finance Committee will develop the 2022–2023 budgets for Ramsey/Washington Recycling & Energy (R&E). The R&E Board Bylaws provide that the Facility & Finance Committee (F&F Committee) will prepare a two-year budget for Joint Activities on or prior to August 1 of the year prior. The R&E Board then submits the Joint Activities Budget to the counties for approval of their respective contributions. The bylaws also state that the F&F Committee will prepare the annual Facility Budget for approval by the R&E Board each year on or prior to August 1 of the year prior. While not called for in the bylaws, the Joint Leadership Team (JLT) is recommending that an Equipment Maintenance and Replacement Budget (EM&R) also be prepared for consideration by the R&E Board.

The F&F Committee will have several items to consider when planning for the 2022–2023 budget. Examples include:

- Labor Agreement: A new three-year labor agreement for R&E Center union employees is expected to start in 2022. The current one-year labor agreement expires at the end of 2021.
- Expenses associated with processing enhancements: Personnel, operating and maintenance costs for the R&E Center will change as a result of the new enhancements coming on-line in 2022–2023.
- Transload Fees: This is the cost of transporting MSW from transfer stations to the R&E Center. Current transfer station agreements expire at the end of 2022. Transload fees may change for transfer stations agreeing to remove durable compostable bags.
- EM&R Budget: Reduction in recycling revenue will affect the 2022–23 EM&R Budget
- Information technology improvements: Consultant evaluation recommendations include strategies to improve IT infrastructure and security and workflow automation.

**SUBJECT: 2022-23 Budget Preparation**

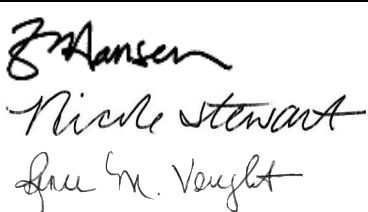


- Curbside food scrap collection program: Examples of related new Joint Activities costs include durable compostable bags (DCBs), manufacturing, online DCB order, fulfillment and customer service contracts.
- Continued research and solicitation of end markets for refuse-derived fuel (RDF), to replace the expected retirement of Xcel's RDF-fired power plants.

**ATTACHMENTS:**

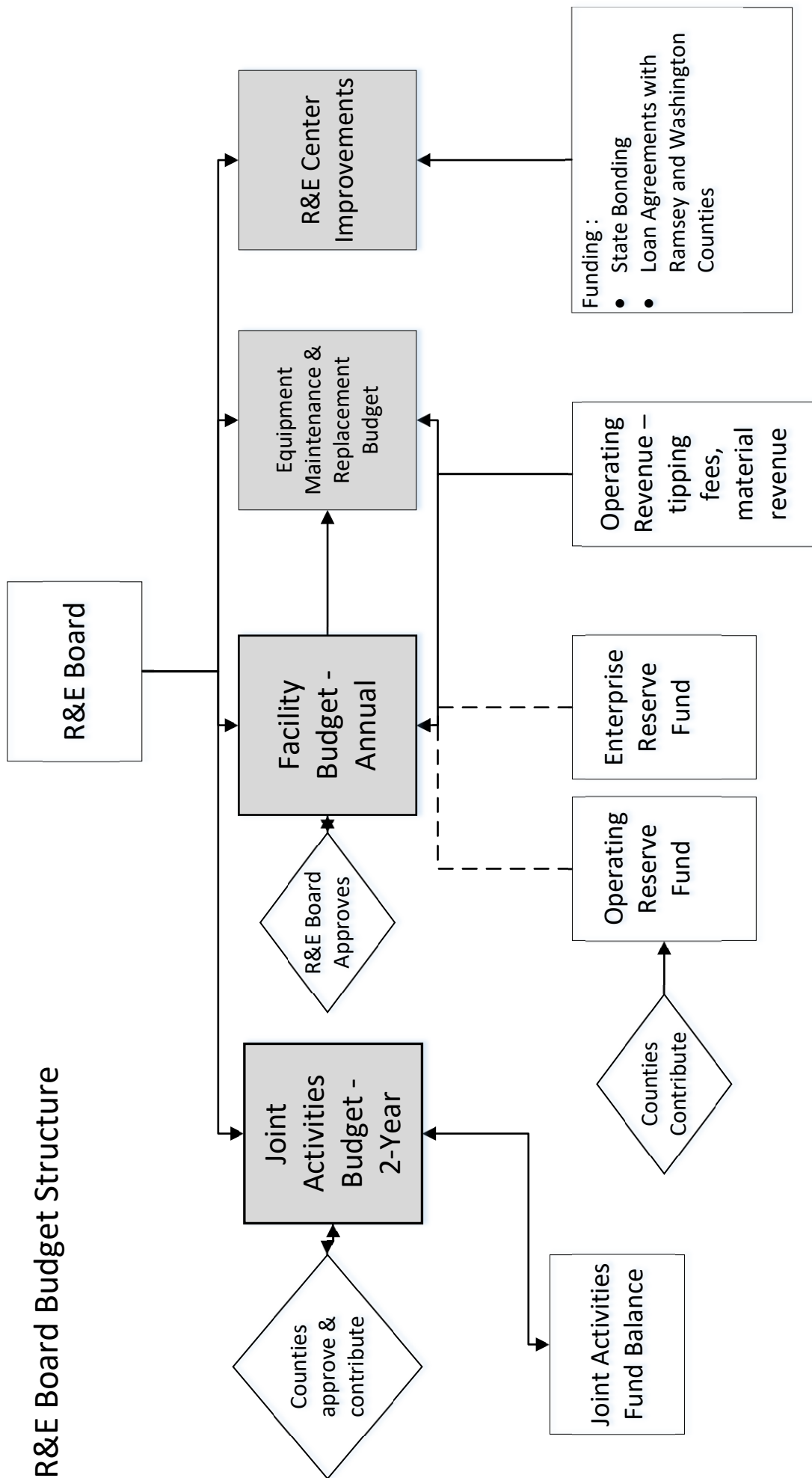
1. R&E Budget Structure
2. Budget Planning Timeline

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	3/1/21
	
RAMSEY COUNTY ATTORNEY	3/1/21
	
WASHINGTON COUNTY ATTORNEY	3/1/21
	

# R&E Board Budget Structure





## **2022–2023 Budget Planning Timeline**

### **Joint Activities Budget**

March 8, 2021	Facility & Finance Committee reviews budget process, timeline
April 15	Facility & Finance Committee discusses JLT proposal, recommends changes
May 20	Facility & Finance Committee reviews revised Joint Activities Budget, approves forwarding to R&E Board
June 24	Facility & Finance Committee presents proposed Joint Activities Budget for R&E Board discussion
July 22	R&E Board approves 2022–2023 Joint Activities Budget and recommends approval of Joint Activities Budget by county boards
August–September	County boards approve 2022–2023 Joint Activities Budget

### **Facility Budget and Facility Equipment Maintenance and Replacement Budget**

March 8, 2021	Facility & Finance Committee reviews budget process, timeline
April 15	Facility & Finance Committee discusses JLT proposal, recommends changes
May 20	Facility & Finance Committee reviews revised Facility Budget and Facility Equipment Maintenance and Replacement Budget, approves forwarding to R&E Board
June 24	Facility & Finance Committee presents proposed 2022–2023 Facility Budget and Facility Equipment Maintenance and Replacement Budget for R&E Board discussion
July 22	R&E Board approves 2022–2023 Facility Budget and Facility Equipment Maintenance and Replacement Budget and establishes tipping fee for 2022–2023



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

<b>R&amp;E FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>	March 8, 2021	<b>AGENDA ITEM:</b>	IV.c.
<b>SUBJECT:</b>	Labor Agreement Negotiations Process 2021		
<b>TYPE OF ITEM:</b>	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input checked="" type="checkbox"/> ACTION
<b>SUBMITTED BY:</b>	Joint Leadership Team		

**FACILITY & FINANCE COMMITTEE ACTION REQUESTED:**

Accept the labor agreement negotiation process and role of the Facility & Finance Committee.

**EXECUTIVE SUMMARY:**

The current labor agreement with IBEW Local 23 terminates at the end of 2021. A new three-year labor agreement will be negotiated during 2021, to commence on January 1, 2022. The current labor agreement, like the previous one (2018-2020) was based on the agreement between Resource Recovery Technologies (the previous private sector facility owner) and IBEW Local 23, but had been modified to comply with the Minnesota Public Employees Labor Relations Act (PELRA).

A one-year agreement was negotiated and approved for 2021 for several reasons. The COVID pandemic consumed a lot of time. In May 2020 the facility manager resigned; this position is important in ongoing labor relations and was not filled before the end of 2020. The technological and operational changes coming soon to the R&E Center will affect union job classifications and the number of union staff, which will grow by an estimated 18 positions. For these reasons, plus knowing that both parties want to make changes in the old agreement, a one-year agreement was agreed upon, allowing more time to negotiate a new three-year agreement beginning in 2022.

The Joint Leadership Team (JLT) proposes the following process for the labor negotiations in 2021. The timeline begins now, with a request that the Facility & Finance Committee (F&F Committee) serve as the policy committee for this work. These are the steps, also illustrated in the attached flow chart:

- Solicitation of labor consultant – A request for proposals (RFP) will be issued for a labor consultant. The agreement with the current consultant, Madden, Galanter and Hansen has expired. The selected consultant will be under contract for up to five years. As before, the two counties' human resources departments will be asked to assist in vendor selection.
- Identify desired changes in the current agreement. Both parties are informally preparing their desired changes to the agreement.

**SUBJECT:** *Labor Agreement Negotiations Process 2021*

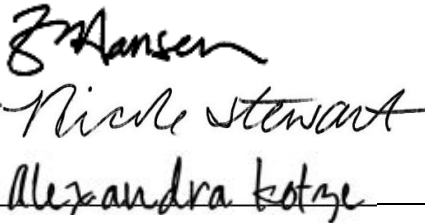


- The R&E positions will be framed as policy parameters for approval by the F&F Committee; this meeting can occur in a closed session.
- Official notice between the parties and of the Bureau of Mediation Services begins the formal process.
- The R&E Bargaining Team (JLT, facility manager, human resources manager, labor consultant) and the Union Bargaining Team will commence negotiations.
- As negotiations proceed the R&E Bargaining team will check in with the F&F Committee and provide updates. Should there be a need for further policy action, that will be brought forward to the F&F Committee in a closed session.
- Upon agreement, the F&F Committee will be requested to accept the terms and recommend approval to the R&E Board.

**ATTACHMENTS:**

1. Draft Resolution
2. Labor Agreement Negotiations Process Flow Chart
3. Labor Agreement Negotiations 2021 Timeline

**FINANCIAL IMPLICATIONS:**

None

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	2/25/21
	
RAMSEY COUNTY ATTORNEY	2/25/21
	
WASHINGTON COUNTY ATTORNEY	2/26/21
	

**RESOLUTION R&EB-FFC-2021-01**

WHEREAS, The Ramsey/Washington Recycling & Energy Board ("R&E Board") is governed by the amended and restated Joint Powers Agreement by and between Ramsey County and Washington County dated September 22, 2015 ("Joint Powers Agreement") which provides for employment of staff by the R&E Board; and

WHEREAS, The Public Employer Labor Relations Act allows for collective bargaining agreements of up to three years; and

WHEREAS, The COVID-19 pandemic delayed negotiations, and with new equipment and operations being planned, and a change in the facility manager position, the Joint Leadership Team (JLT) decided to negotiate a one-year agreement for 2021 to allow for more time to negotiate a three-year agreement for 2022-2024 in the future; and

WHEREAS, The R&E Board approved a one-year agreement with IBEW Local 23 ("Union") beginning January 1, 2021 with Resolution R&EB-2020-14 on October 22, 2020; and

WHEREAS, A Bargaining Team comprised of the JLT, facility manager, human resources manager, and labor consultant will negotiate with the Union, with a request that the Facility & Finance Committee (F&F Committee) serve as the policy committee for this work; NOW, THEREFORE, BE IT

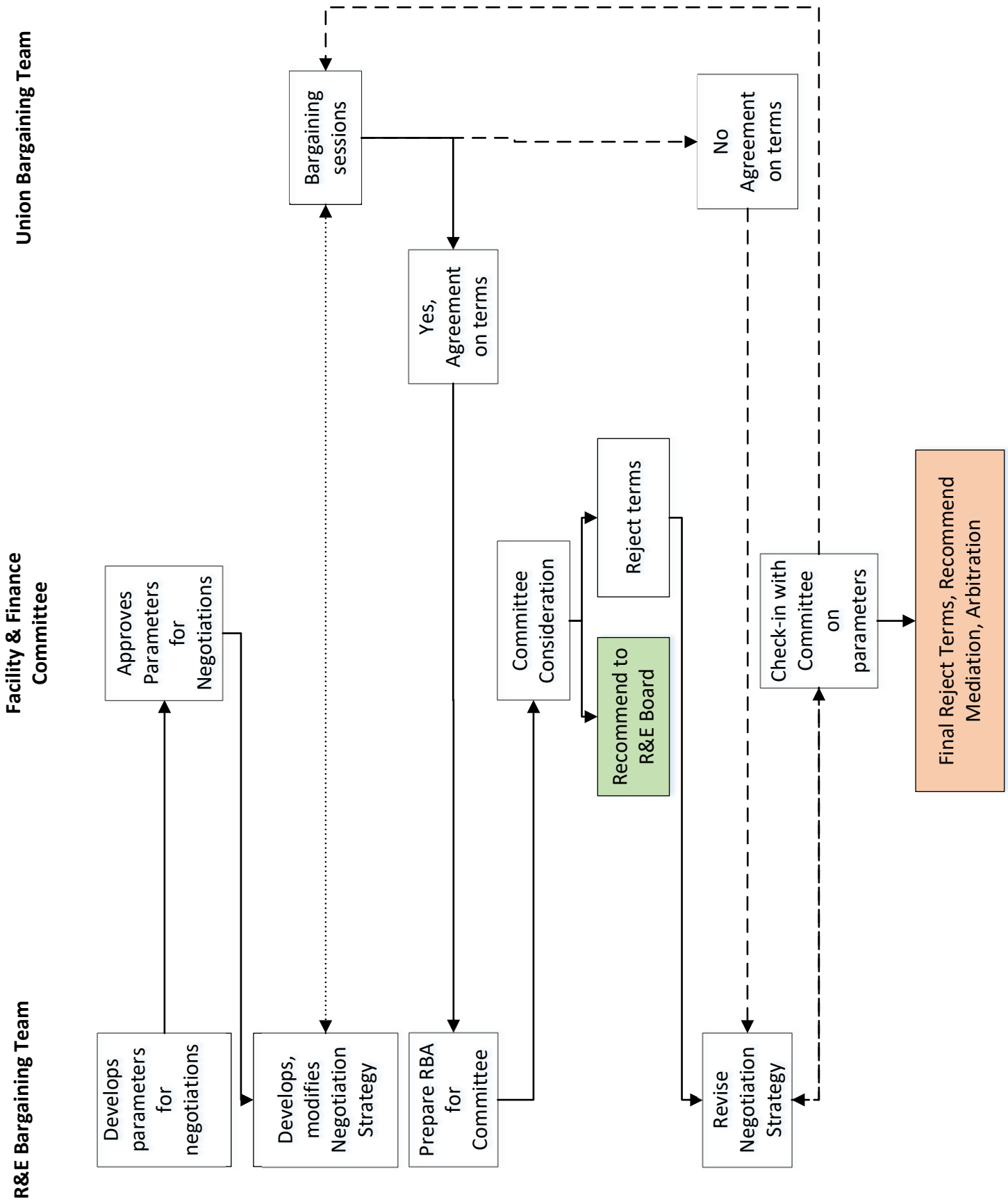
RESOLVED, The Recycling & Energy Board Facility & Finance Committee hereby accepts the labor agreement negotiation process and role of the Facility & Finance Committee.

---

Wayne Johnson, Committee Chair  
March 8, 2021

---

Attest  
March 8, 2021



## Labor Agreement Negotiations

2021					2022
March	April	May	June	July	January
Solicitation for labor consultant/attorney					
Notify union of intent to begin negotiations and parties develop parameters for negotiation					
	JLT and R&E staff bring parameters to Facility & Finance Committee for approval				
		Baragaining sessions & Facility & Finance Committee executive session(s) as necessary			
				Facility & Finance Committee recommends labor agreement to R&E Board	
					New three-year agreement begins



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

R&E FACILITY & FINANCE COMMITTEE MEETING DATE:			March 8, 2021		AGENDA ITEM:		IV.d.	
SUBJECT:		End-Use Market Request for Proposals (RFP) Phase I Recommendations						
TYPE OF ITEM:		<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION		<input checked="" type="checkbox"/>	ACTION
SUBMITTED BY:		Joint Leadership Team (JLT)						

**FACILITY & FINANCE COMMITTEE ACTION REQUESTED:**

The R&E Board Facility & Finance Committee is requested to recommend to the R&E Board that it:

1. Approve the selection of proposers Anaergia, BioEnergy DevCo, Dem-Con Companies, FullCycle Management, LLC., Generate Capital Inc., Minnesota Municipal Power Agency, Mura Technology Limited, North Star Organics Management Partners, and O.W.S., Inc. to be invited to propose to the second phase of the End-Use Market RFP.
2. Authorize the joint leadership team (JLT) to develop and release the End-Use Markets for Byproducts from the Recycling & Energy Center Phase II RFP, evaluate the responses to the RFP, and return to the R&E Board with a recommendation regarding contract negotiations.

**EXECUTIVE SUMMARY:**

Ramsey and Washington counties have been evaluating alternate waste management technologies for nearly two decades. The Ramsey/Washington Recycling & Energy Board (R&E Board) has continued this work to achieve environmental, economic and social benefits for the East Metro. Planned enhancements to the R&E Center will accommodate source-separated organics and enable the recovery of high-value materials from trash. Plans for these materials and the remaining waste, now used to produce refuse-derived fuel (RDF), have taken shape through extensive research, facility site visits and engagement with technology providers. End market opportunities for the materials processed at the R&E Center include anaerobic digestion, gasification, and/or chemical recycling, among others.

R&E issued phase I of a two-phase solicitation on August 24, 2020 with a request for proposals (RFP) for vendors capable of meeting the R&E Board's need for processing technologies and end-use markets for by-products of the R&E Center. There are three types of R&E Center-managed materials being targeted for alternative management by new end-use markets: source-separated organics in durable compostable bags (DCBs), organic-rich material (ORM) from the recyclables recovery system (RRS) and components of RDF. Vendors could propose technologies for management of one, two or all three of the materials.

Ten phase I proposals were received. All phase I proposals were evaluated by a team consisting of staff and consultants using the evaluation criteria identified in the RFP. Those that were determined to be most complete and qualified for R&E to consider are recommended to be invited to propose to the next phase.

**SUBJECT:** *End-Use Market Request for Proposals (RFP) Phase I Recommendations*

The proposal review team is recommending the following nine proposers be invited to respond to phase II of the End-Use Market RFP:

<b>Proposer</b>	<b>Technology</b>	<b>Materials to Manage</b>
Anaergia DB Inc.	Anaerobic digestion	DCB, ORM
BioEnergy Devco	Anaerobic digestion	DCB
Dem-Con Companies	Anaerobic digestion	DCB, ORM
FullCycle Management, LLC	Gasification	DCB, ORM, RDF
Generate Capital Inc.	Anaerobic digestion	DCB, ORM
Minnesota Municipal Power Agency	Anaerobic digestion	DCB
Mura Technology Limited	Chemical recycling	Polyolefin plastic (HDPE, LDPE, and PP)
North Star Organics Management Partners	Anaerobic digestion	DCB, ORM
O.W.S., Inc.	Anaerobic digestion	DCB, ORM, RDF

These proposers each provided a credible and complete response to the phase I RFP, and the JLT recommends that they proceed to the next stage of this procurement process.

Upon authorization by the R&E Board, phase II of procurement would commence with the development and release of the Phase II RFP. That RFP will request more detailed design, operations and financial information. Phase II proposals are expected to be received and evaluated during summer 2020. R&E staff will then present to the Facility & Finance Committee, following which the R&E Board would have the opportunity to select one or more finalists for contract negotiation based on the responses to both phase I and phase II RFPs. Following a final selection, the R&E Board would then be requested to direct R&E staff to enter into one or more agreements for the development of proposed projects with the selected proposer(s).





**ATTACHMENTS:**

1. Draft resolution
2. Memo from the JLT dated March 1, 2021

**FINANCIAL IMPLICATIONS:**

Phase II of the procurement process will have no direct financial implications. As the process moves forward, the financial costs and benefits of one or more contracts to develop end-use markets will become apparent.

**SUBJECT:** *End-Use Market Request for Proposals (RFP) Phase I Recommendations*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	3/1/21
	3/1/21
	2/26/21
RAMSEY COUNTY ATTORNEY	2/24/21
	2/24/21
WASHINGTON COUNTY ATTORNEY	2/26/21
	2/26/21

**RESOLUTION R&EB-FFC-2021-02**

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

WHEREAS, Ramsey and Washington Counties (“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 each County; and

WHEREAS, Ramsey and Washington Counties have in place County Solid Waste Management Master Plans (“Master Plans”) approved by the Commissioner of the Minnesota Pollution Control Agency, which clearly state the policy goal of maintaining and improving an integrated system of solid waste management that supports Minnesota’s hierarchy of solid waste management, with an emphasis on waste reduction, reuse, recycling and composting before the remaining solid waste is managed through resource recovery; and

WHEREAS, the Master Plans also include policies that affirm the processing of waste for recovering energy and recyclables and other beneficially usable materials as the preferred method to manage solid waste that is not reduced, reused or recycled; and

WHEREAS, the Ramsey/Washington Recycling & Energy Board (“R&E Board”) is governed by the amended and restated joint powers agreement by and between Ramsey County and Washington County dated September 22, 2015 (“Joint Powers Agreement”); and

WHEREAS, the R&E Board, and its predecessor the Ramsey/Washington County Resource Recovery Project Board (“Project Board”) has conducted extensive evaluation and analysis of methods to enhance recovery of value from the waste stream, and has designed system changes to assist in meeting state recycling goals; and

WHEREAS, as part of that evaluation, the Project Board and R&E Board investigated and evaluated different waste management technologies, including anaerobic digestion, gasification and chemical recycling systems that convert waste to fuels and other products; and

WHEREAS, the Scope for Resource Management, which outlines the strategic direction for waste management, includes use of byproducts from the Recycling & Energy Center (“R&E Center”) in anaerobic digestion, gasification and other systems; and

WHEREAS, with designation in effect, the R&E Center receives a predictable and reliable waste stream, allowing the R&E Board to work to develop end-use markets for R&E Center byproducts, including source-separated organics, organic-rich material and refuse-derived fuel (RDF); and

WHEREAS, at its meeting on August 20, 2020, the R&E Board approved the two-phase solicitation process for End-Use Markets for Byproducts from the Recycling & Energy Center and authorized the Joint Leadership Team (JLT) to issue the Phase I Request for Proposals (RFP); and

WHEREAS, the JLT issued the Phase I RFP for End-Use Markets of Byproducts from the R&E Center Phase I on August 24, 2020 and received ten proposals; and

WHEREAS, following evaluation, the proposal review committee recommends the selection of proposers Anaergia, BioEnergy DevCo, Dem-Con Companies, FullCycle Management, LLC., Generate

Capital Inc., Minnesota Municipal Power Agency, Mura Technology Limited, North Star Organics Management Partners and O.W.S., Inc. to be invited to respond to the second phase of the End-Use Market RFP; NOW, THEREFORE, BE IT

RESOLVED, the R&E Board Facility & Finance Committee recommends that the R&E Board approve the selection of proposers Anaergia, BioEnergy DevCo, Dem-Con Companies, FullCycle Management, LLC., Generate Capital Inc., Minnesota Municipal Power Agency, Mura Technology Limited, North Star Organics Management Partners and O.W.S., Inc. to be invited to propose to the second phase of the End-Use Market RFP. BE IT FURTHER

RESOLVED, the R&E Board Facility & Finance Committee recommends that the R&E Board authorize the JLT to develop and release the End-Use Markets for Byproducts from the Recycling & Energy Center Phase II RFP, evaluate the responses to the RFP, and return to the R&E Board with a recommendation regarding contract negotiations.

---

Wayne Johnson, Committee Chair  
March 8, 2021

---

Attest  
March 8, 2021



**March 1, 2021**

**To: Ramsey/Washington Recycling & Energy Board Facility & Finance Committee**  
**From: Joint Leadership Team (JLT)**  
**Re: End-Use Markets Request for Proposals (RFP) Phase I Recommendations**

**Action Requested**

The R&E Board Facility & Finance Committee is requested to recommend to the R&E Board that it:

1. Approve the selection of proposers Anaergia, BioEnergy DevCo, Dem-Con Companies, FullCycle Management, LLC., Generate Capital Inc., Minnesota Municipal Power Agency, Mura Technology Limited, North Star Organics Management Partners and O.W.S., Inc. to be invited to propose to the second phase of the End Use Market RFP.
2. Authorize the joint leadership team (JLT) to develop and release the End-Use Markets for Byproducts from the Recycling & Energy Center Phase II RFP, evaluate the responses to the RFP, and return to the R&E Board with a recommendation regarding contract negotiations.

**Background**

Ramsey and Washington counties have been evaluating alternate waste management technologies for nearly two decades. The Ramsey/Washington Recycling & Energy Board (R&E Board) has continued that work to achieve environmental, economic and social benefits for the East Metro. The R&E vision, “vibrant, healthy communities without waste,” is being pursued through a variety of efforts. R&E activities and each county’s programs complement each other in working upstream, preventing waste and increasing source-separation of recyclables. Plans are currently being pursued for the R&E Center to be redesigned and repurposed to recover more value from waste. Coinciding with these efforts, R&E is working to pursue technologies for alternative uses of high-value materials in the waste stream.

The R&E Board principle to pivot the view from “waste” to “resource,” combined with the principles of focusing on the long-term and being flexible, frame R&E Center as a “value-added waste processing facility.” R&E takes the raw material – trash – and processes it into a variety of products for market. Currently, recovered metals are sold to private sector recyclers, and refuse-derived fuel (RDF) is marketed to Xcel Energy. The next step is to further separate materials in the waste stream for recovery and recycling into new products.

The enhancements to the R&E Center, currently underway, will accommodate source-separated organics and enable the recovery of high-value materials from trash in the next one to two years. Plans for these materials and the remaining waste, now used to produce RDF, have taken shape through extensive research, facility site visits and discussion with technology vendors. End market opportunities

**SUBJECT: *End-Use Markets Request for Proposals (RFP) Phase I Recommendations***

for the materials processed at the R&E Center include anaerobic digestion, gasification and/or chemical recycling.

It is important for R&E to identify multiple markets for material that is separated from trash. This approach is a mitigation strategy for the business risk of marketing those materials. In addition, this solicitation will likely help address a capacity shortage for organic materials that currently exists in the metropolitan area.

R&E identified, and is now implementing, the approach of a two-phase solicitation to find qualified vendors to manage materials that are currently or will be recovered at the R&E Center once facility enhancements are completed. The materials being targeted are source-separated organics in durable compostable bags (DCBs), organic-rich material (ORM) from the recyclables recovery system (RRS) and components of RDF.

**Phase I RFP Process**

At its August 2020 meeting, the R&E Board approved a two-phase procurement process and authorized release of the Phase I RFP. In this first phase, the R&E Board requested initial proposals. Information was requested in the following categories:

- General company information
- Description of technology
- Description of operations
- Description of materials management
- End-products marketing information and experience
- Environmental permits and controls
- Reference facility
- Facility economics and financing

The Phase I RFP was structured to encourage a variety of interested and qualified vendors to submit proposals for R&E consideration. One goal of this approach is for the East Metro to see the development of multiple outlets for materials. In this initial phase, R&E was “technology agnostic” and solicited responses from vendors proposing facilities using technology such as anaerobic digestion, gasification and chemical recycling, among others. Vendors were able to propose technologies for managing one, two or all three of the materials described above.

The Phase I RFP was released on August 24, 2020. Notice of availability was sent to 159 firms worldwide and promoted via several industry websites. R&E held a virtual preproposal conference on September 17, 2020. There were 75 people present representing many firms (attendance was not mandatory). The deadline for submissions was December 4, 2020. Ten proposals were submitted.

An evaluation team consisting of staff and consultants with backgrounds in legal, engineering, technical and policy work reviewed the phase I proposals using the evaluation criteria identified in the RFP, described below.

**SUBJECT: End-Use Markets Request for Proposals (RFP) Phase I Recommendations**

*Technical/Operational*

- Proposer's demonstrated experience in project development, permitting, design and construction, and operation of proposed facilities
- Proposer's demonstrated experience in marketing and selling the products (or similar products) to be produced
- The proven commercial viability of the technology and the responsiveness of the proposer's technical proposal
- The scalability and adaptability of the technologies and facilities proposed and overall approach and fit to the DCBs, organic-rich material and/or RDF produced by the R&E Center
- Proposer's proposed project schedule
- Proposer's comprehensive identification of and approach to siting and permitting requirements and issues

*Financial*

- Proposer's demonstrated financial strength and ability to finance the capital costs, including construction and operation of the facilities proposed
- The contractual terms and price to be offered to or requested from the R&E Board
- Project economics and funding
- Innovative ideas to reduce the expected initial or ongoing costs and environmental impacts of the project

**Recommendations from Phase I Proposal Evaluation**

The proposal review team is recommending that the following proposers, listed in the table below, be invited to provide a proposal for the second phase of the RFP (Phase II). These proposers have each provided a credible and complete response to the Phase I RFP, and staff recommends they proceed to the next stage of this procurement process.

<b>Proposer</b>	<b>Technology</b>	<b>Materials to Manage</b>
Anaergia DB Inc.	Anaerobic digestion	DCB, ORM
BioEnergy Devco	Anaerobic digestion	DCB
Dem-Con Companies	Anaerobic digestion	DCB, ORM
FullCycle Management, LLC	Gasification	DCB, ORM, RDF
Generate Capital Inc.	Anaerobic digestion	DCB, ORM
Minnesota Municipal Power Agency	Anaerobic digestion	DCB
Mura Technology Limited	Chemical recycling	Polyolefin plastic (HDPE, LDPE, and PP)
North Star Organics Management Partners	Anaerobic digestion	DCB, ORM
O.W.S., Inc.	Anaerobic digestion	DCB, ORM, RDF

### **Phase II RFP Process**

The purpose of the Phase II RFP is to serve as an addendum to the phase I response, and to obtain information in additional detail beyond that provided in phase I. Upon authorization from the R&E Board, phase II of procurement would commence with the development and release of the Phase II RFP.

In phase II, the selected proposers from phase I will be invited to respond to a supplemental RFP, to conduct further analyses based on the technologies proposed during phase I, and to submit a final proposal. Final proposals will include the following:

- Pricing and details on the technical approach
- Proposed project structure, such as business, marketing, legal, financing and administrative aspects of the project
- Proposed contracts, letters of intent, and memoranda of understanding with lenders, financial sponsors, guarantors and insurers required to proceed swiftly to contract negotiations

The proposed timeline for the Phase II procurement is outlined below; this timeline could vary somewhat.

- Issue Phase II RFP to selected proposers: April 27, 2021
- Phase II proposals due: June 30, 2021
- Evaluation period: July 1 – August 12, 2021
- Presentation to R&E Board: August 26, 2021 (decision to enter into negotiations)

### **Timeline for New End-Use Markets**

At the conclusion of phase II, the R&E Board will have the opportunity to select one or more finalists for contract negotiation based on the responses to both Phase I and Phase II RFPs. Following a final selection, the R&E Board may direct R&E staff to enter into an agreement for the development of a proposed project.

An overall timeline for the procurement is illustrated in the figure below.



The current estimated procurement process will be completed during 2021, at which point vendors will commence design work and permitting. In a recent survey commissioned by the Partnership on Waste and Energy and completed by the Great Plains Institute, anaerobic digestion (AD) developers in

**SUBJECT:** *End-Use Markets Request for Proposals (RFP) Phase I Recommendations*

Minnesota indicated that their experience undergoing permitting and environmental review took between two and four years to complete. In discussions with R&E staff, AD developers have indicated that construction and commissioning of AD facilities generally occurs in a one- to three-year timeframe. Recognizing that timelines will likely be dependent on facility type and other factors, a general estimate can be made that project(s) selected by R&E would be operational around 2027 or thereafter.



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
CONNECTING VALUE TO WASTE

<b>R&amp;E FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>	March 8, 2021	<b>AGENDA ITEM:</b>	V.
<b>SUBJECT:</b>	Updates and Reports		
<b>TYPE OF ITEM:</b>	<input checked="" type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input type="checkbox"/> ACTION
<b>SUBMITTED BY:</b>	Joint Leadership Team		

**FACILITY & FINANCE COMMITTEE ACTION REQUESTED:**

None.

**EXECUTIVE SUMMARY:**

Staff will provide updates on R&E projects and operations.

**ATTACHMENTS:**

None.

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
<b>JOINT LEADERSHIP TEAM</b>	
<div><div>6F6294EFCDD340E</div><div><i>Zack Hansen</i></div><div>DocuSigned By: Zack Hansen</div><div>DocuSigned by:</div><div><i>Nicole Stewart</i></div><div>E6E401905F734BB...</div></div>	2/26/2021
	2/26/2021