



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

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

Date: Thursday, September 16, 2021
Time: 10:00 am to 12:00 pm
Zoom meeting: <https://zoom.us/j/95457003942?pwd=WG5Jd3NwOWhycnQ5SEx5MEg3eExVUT09>
Phone: +1-651-372-8299 | Meeting ID: 954 5700 3942 | Password: 384682

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 emerging prevalence of the Delta variant. 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. Members of the public will be able to watch the public meeting live online.

The September 23 committee meeting is a regularly-scheduled business meeting and a closed session, as permitted by Minn. Stat. section 13D.03 to discuss general labor negotiation strategies related to negotiations with IBEW Local 23. A written roll of members and all other persons present at the closed portion of the meeting will be made available to the public after the closed meeting.

AGENDA

- I. Call to Order, Introductions, Commissioner Roll Call**
- II. Approval of Agenda** Action Page 1
- III. Approval of Minutes – May 20, 2021** Action Page 2
- IV. Updates and Reports**
 - a. Update on Procurement of End Markets Information Page 7
- V. Motion to Close Meeting** Action
 - Upon majority vote, this meeting may be closed as permitted by Minn. Stat. section 13D.03 to discuss general labor negotiation strategies related to negotiations with IBEW Local 23.
- VI. Adjourn**



THURSDAY, MAY 20, 2021
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD
FACILITY & FINANCE COMMITTEE MINUTES

A meeting of the Ramsey/Washington Recycling & Energy Board Facility & Finance (F&F) Committee was held at 10:00 a.m. on Thursday, May 20, 2021 as a virtual meeting. 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.

MEMBERS PRESENT

Commissioner Wayne Johnson – Washington County
Commissioners Nicole Frethem, Trista MatasCastillo – Ramsey County

ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD

Leigh Behrens, Zack Hansen, Sam Holl, Michael Reed, John Ristad, Nikki Stewart, Jody Tharp, Jordan Thone, Kris Wehlage

ATTENDING REMOTELY

Shannon Conk, Sheena Denny, Rae Eden Frank, Kelli Hall, Sam Hanson, Fatima Janati, Kevin Johnson, Jennefer Klennert, Nate Klett, Kevin Magnuson, Andrea McKennan, Betsy Powers, Chris Swanson, Renee Vought, Susan Young

CALL TO ORDER/APPROVAL OF THE AGENDA

Chair Johnson called the meeting to order at 10:01 a.m. The statement regarding conduct of a remote meeting was read. Introductions of participants present at Maplewood were made. A roll call of commissioners was conducted.

Commissioner MatasCastillo moved, seconded by Frethem, to approve the agenda as presented.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

APPROVAL OF THE APRIL 15, 2021 AND APRIL 29, 2021 MINUTES

Commissioner Frethem moved, seconded by MatasCastillo, to approve the minutes of April 15, 2021 and April 29, 2021.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

BUSINESS

2022-2023 Budget Preparation

Nikki Stewart, Joint Leadership Team (JLT), presented an overview of the 2022-2023 Joint Activities (JA) Budget, Facility Budget and Equipment Maintenance & Replacement (EM&R) Budget, which were presented to the F&F Committee in April. No changes have been made to the budgets since that meeting.

In addition to the proposed budgets for 2022-2023, JLT is recommending that two FTE positions be created in 2021 using existing funds in the 2021 JA Budget, available due to reduced demand for services related to the pandemic. These FTEs are included in the proposed 2022-2023 JA Budget.

- A program coordinator will work on development of the food scraps pick up program, which is slated to begin earlier than projected. Pilot testing is estimated to begin as early as the second half of 2022. Work on this program in 2021 is important for meeting that timeline.
- An administrative assistant will take on basic human resources functions, provide support for contract management and assist in accounting functions currently performed by management staff, allowing management to work on higher priority issues such as facility safety during construction and solicitation of major contracts related to the R&E Center processing improvements.

Joint Activities Budget

Kris Wehlage, R&E accounting manager, presented an overview of the JA Budget, also known as the General Fund or the Governmental Fund, which is funded by county contributions (Ramsey County 73%, Washington County 27%). Bylaws stipulate preparation of a two-year JA Budget for R&E Board approval each year on or prior to August 1. The R&E Board submits the JA Budget to the counties on or prior to September 1 each year for approval of their respective contributions.

The JA Budget includes project management, non-residential recycling, community waste solutions, food scraps pick up program, general outreach and policy evaluation. Wehlage outlined major budget changes:

- Food scraps pick up program includes the manufacture, ordering, distribution and customer service associated with food scrap bags, as well as coordinating outreach and promotion with counties. This program is slated to start in 2022, which is earlier than projected.
- Community waste solutions program is a continuation for both counties of some Ramsey-only programs, including mattress recycling, community resource hubs, business pollution prevention and construction and demolition waste reduction.
- Project management includes two additional FTEs: a program coordinator for the food scraps pick up program recycling and an administrative assistant for support services.

The proposed 2022-2023 JA Budget remains as presented at the April 15 F&F Committee meeting, with no recommended changes. The only change today is requested approval for the two additional FTE positions to begin in 2021, using funds available in the 2021 JA Budget.

Commissioner MatasCastillo moved, seconded by Frethem, to approve Resolution R&EB-FFC-2021-04, 2022-2023 Joint Activities Budget. The R&E Board Facility & Finance Committee hereby:

- Approves the 2022-2023 R&E Joint Activities Budget and recommends that the R&E Board approve the Joint Activities Budget and forward the budget to the Ramsey and Washington county boards for approval.
- Recommends that the R&E Board approve the addition of 1.0 FTE program coordinator and 1.0 FTE administrative assistant to the Joint Activities Budget in 2021 and authorize the Joint Leadership Team to make necessary budget adjustments.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo

Nays: None

Facility Budget

Kris Wehlage presented an overview of the Facility Budget, also known as the Enterprise Fund, which is funded primarily by tipping fees paid by haulers. Bylaws state the F&F Committee will prepare the annual Facility Budget for board approval each year on or prior to August 1. The Facility Budget is comprised of costs related to personnel, fuel supply, landfill, transportation, transload fee, contingency funds, Enterprise Reserve Fund (ERF), debt services and revenue. No changes were made to the budget presented at the April 15 F&F Committee meeting.

Wehlage highlighted major changes for the 2022-2023 budget.

- Expenses are affected by rising property insurance costs and earlier start dates for processing enhancements.
- Use of one-time funding in 2022 to reduce the effect on tipping fees includes use of 2020 JA and Facility budget surpluses and enhancements reimbursements.
- Tipping fees are aligned with pro forma and are proposed at \$87 per ton in 2022 and \$99 per ton in 2023.

Commissioner Johnson inquired about the effect of increased tipping fees on homeowners. Zack Hansen, Ramsey County and JLT, said the increase from 2021 to 2022 is \$3 per household, based on an average household producing roughly a ton of waste per year. The 2023 increase is \$12 per household, a one-time major increase associated with implementing processing improvements. Thereafter, increases should follow cost of living increases (CPI) and associated operating costs, with an anticipated \$2-3 per household per year increase, depending on the CPI.

Commissioner MatasCastillo moved, seconded by Frethem, to approve Resolution R&EB-FFC-2021-05, 2022-2023 Facility Budget. The R&E Board Facility & Finance Committee hereby:

- Approves the 2022-2023 R&E Board Facility Budget and recommends that the R&E Board approve the 2022-2023 Facility Budget.
- Recommends that the R&E Board establish the tipping fee for waste delivered from Ramsey and Washington counties to the R&E Center: 2022: \$87.00 per ton; 2023: \$99.00 per ton.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

Equipment Maintenance & Replacement (EM&R) Budget

Kris Wehlage presented an overview of the EM&R Budget. Bylaws define the purpose of the EM&R Fund as to ensure that maintenance is not deferred and to protect R&E's investment in the R&E Center. The two-year EM&R Budget is based on a rolling five-year capital improvement plan funded primarily from recycling revenue. Cumulative reserves ensure future funding of projects and no deferral of maintenance at the R&E Center. No changes were made to the 2022-2023 budget presented at the April 15 F&F Committee meeting.

Commissioner Frethem moved, seconded by MatasCastillo, to approve Resolution R&EB-FFC-2021-06, 2022-2023 EM&R Budget. The R&E Board Facility & Finance Committee hereby:

- Approves the 2022-2023 R&E Board Equipment Maintenance & Replacement Budget and recommends that the R&E Board approve the budget.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

Recyclables Recovery System (RRS) Vendor Selection

Sam Holl, R&E Center facility manager, provided an overview of the project procurement and vendor selection process. The RFP for RRS equipment design and installation was released January 12, 2021. Proposals were received from Bulk Handling Systems (BHS) and Machinex. R&E's design team partner, SCS Engineers, provided a letter of recommendation for BHS as the selected vendor. BHS's proposal of \$16.8 million was approximately \$2.4 million lower than Machinex's proposal, falling within the budgeted \$15-20 million range and meeting R&E requirements and project schedule.

Commissioner MatasCastillo inquired about the \$2.4 million difference between the two vendors and whether the not-to-exceed amount includes room for change orders and increased materials costs. Holl said the vendors proposed different types of equipment and different processing techniques. R&E staff and SCS Engineers are confident that BHS's system meets R&E's needs and requirements. He stated that change orders and increased materials costs are included as part of contingency costs. R&E's intent is that no additional funding need be requested for the project.

Commissioner Johnson inquired about equipment warranty. Betsy Powers, SCS Engineers, stated there is a one-year warranty. Holl said BHS provides a scheduled maintenance plan, which was accounted for in the review and proposal process.

Commissioner Frethem moved, seconded by MatasCastillo, to approve the agenda Resolution R&EB-FFC-2021-07, RRS Vendor Selection. The R&E Board Facility & Finance Committee hereby:

- Recommends the R&E Board approve Bulk Handling System (BHS) as the selected proposer recommended by R&E's design team partner, SCS Engineers, for the recyclables recovery system to recover plastics, cardboard, metal and organic rich material and authorizes the JLT to negotiate an agreement with BHS.
- Recommends the R&E Board authorize JLT to execute the agreement with BHS, and any amendments or change orders thereto, for recyclables recovery system to recover plastics, cardboard, metal and organic rich material, within a project budget that shall not exceed \$19,433,104, upon approval as to form by the county attorney.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

UPDATES AND REPORTS

Facility Updates

Sam Holl, R&E Center manager, provided an update on the used beverage can (UBC) non-ferrous line cleanup project. Robotics went live last week, allowing R&E to pick UBCs from the non-ferrous conveying line and produce clean UBC bales. The project was completed under budget and will provide an improved revenue stream funding the EM&R Budget.

Target rate for the robotic sort is 50-60 cans per minute. The eddy current separates aluminum foil and juice boxes, and robotics then pick non-ferrous UBCs (pop and beer cans). This sort will increase the recycling rate. Of the 1,000 tons of non-ferrous materials recovered annually, the goal is that 400-500 tons will be cans, with a payback period for the project estimated at 1.5 years.

Facility & Finance Committee Meeting Schedule

Nikki Stewart presented a request for addition of a meeting to the committee meeting schedule. R&E is in process of soliciting proposals for end markets for use of products from the R&E Center. At the April 25 R&E Board meeting, the Phase II RFP was approved for release to eight qualifying firms. JLT expects vendor

selection recommendations in September for the F&F Committee to approve for presentation to the R&E Board on September 23. A September 16 F&F Committee meeting is requested.

Commissioner MatasCastillo moved, seconded by Frethem, to approve the addition of a committee meeting in 2021. The R&E Board Facility & Finance Committee hereby sets a meeting for Thursday, September 16, 2021 at 10:00 a.m.

Motion carried with a 3-0 roll call vote. Ayes: Frethem, Johnson, MatasCastillo Nays: None

ADJOURN

Chair Johnson called the meeting adjourned at 10:50 a.m.

ATTESTED TO:

Approved: _____
September 16, 2021

Approved: _____
September 16, 2021



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R&E BOARD FACILITY & FINANCE COMMITTEE MEETING DATE:				September 16, 2021		AGENDA ITEM:		IV.a	
SUBJECT:		Update on Procurement of End Markets							
TYPE OF ITEM:		<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:		Joint Leadership Team (JLT)							

FACILITY & FINANCE COMMITTEE ACTION REQUESTED:

Information only.

EXECUTIVE SUMMARY:

Ramsey and Washington counties have been evaluating alternate, next-generation technologies to manage waste for nearly two decades. The R&E Board has continued this work to achieve environmental, economic and community benefits for the East Metro. Enhancements at the Recycling & Energy Center (R&E Center) — currently under construction — will facilitate source-separated food scraps recycling and enable the recovery of high-value materials from trash. Plans for these materials and the remaining waste, currently used to produce refuse-derived fuel, have taken shape through extensive research, facility site visits and engagement with technology providers.

There are three types of R&E Center-processed materials being targeted for alternative management by new end markets:

- Source-separated food scraps in durable compostable bags (DCBs)
- Organic-rich material (ORM) from the recyclables recovery system
- Components of refuse-derived fuel (RDF)

The term “end markets,” as it relates to this effort, refers to the potential receivers of materials processed at the R&E Center that convert those materials into value-added products to be sold and used. For example, an end market for recycled glass might be a manufacturer that turns the glass into new beverage bottles. Potential end market opportunities for materials processed at the R&E Center include anaerobic digestion, gasification and/or chemical recycling, among others.

To solicit new end markets, a team of staff and consultants developed a two-phased approach for a competitive solicitation to find qualified vendors to manage R&E Center materials once facility enhancements are completed. The R&E Facility & Finance Committee reviewed this solicitation approach at its June 18, 2020 meeting, and it was approved by the full R&E Board on August 20, 2020.

R&E began 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-

SUBJECT: *Update on Procurement of End Markets*

products of the R&E Center. Vendors could propose technologies for management of one, two or all three of the materials. Proposals were due on December 4, 2020, and, based on extensive staff and consultant evaluation, JLT recommended that nine proposers, having provided credible and complete responses to the phase I RFP, be invited to proceed to the next stage of the procurement process. The Facility & Finance Committee reviewed and recommended authorization of the phase II RFP at its March 3, 2021 meeting, which was approved by the R&E Board on March 25, 2021.

The phase II RFP requested more detailed design, operations and financial information. It was issued to selected proposers on May 14, 2021. The proposal submission deadline was initially set for July 14, 2021; however, multiple vendors requested an extension to further develop and solidify their proposals. In response, R&E issued an addendum to extend the submission deadline to August 25, 2021.

A comprehensive team of staff and multiple consultant firms have begun the evaluation of the received proposals. This evaluation will use the criteria identified in the RFP, vendor interviews, potential site visits to reference facilities and multiple dimensions of analysis to ensure a comprehensive assessment of the proposals.




Once the evaluation process is complete, JLT will return to the Facility & Finance Committee in early 2022 to present vendor recommendations for consideration by the committee to recommend to the R&E Board. 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 will be requested to direct JLT to enter into one or more agreements for the development of proposed projects with the selected proposer(s), expected to occur in mid-2022.

ATTACHMENTS:

None.

FINANCIAL IMPLICATIONS:

None.

Authorized Signatures	DATE
JOINT LEADERSHIP TEAM	
	9/10/21
	9/10/21
RAMSEY COUNTY ATTORNEY	9/10/21
	
WASHINGTON COUNTY ATTORNEY	9/10/21
