



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

**MEETING NOTICE
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD**

Date: Thursday, March 1, 2023, 8:30 a.m. – 10:30 a.m.

Commissioners, Key staff, Presenters:

Ramsey County Environmental Health | 2785 White Bear Ave N. | 2nd Floor Conference Room
Maplewood, MN | 55109 | [Map](#)

Public: Members of the public are encouraged to participate remotely or may attend at the Maplewood address.
[Microsoft TEAMS](#) | Phone Conference ID: 850 670 035# | Call In (audio only): 1-323-792-6297

AGENDA:

- I. Call to Order, Introductions**
- II. Approval of Agenda** Action Page 1
- III. Approval of Minutes – January 25, 2023** Action Page 2
- IV. Consent Agenda** Action Page 7
 - a. Specialized Labor Services Contract
 - b. Replacement Parts and Services for R&E Heavy Machinery Contract
 - c. Replacement Parts and Services for R&E Trailers Contract
 - d. Specialized Welding, Fabrication, and Machining Services Contract
 - e. Scalehouse Staffing Contract
 - f. External Legal Services Contract
 - g. Waste Delivery Agreement with the City of Saint Paul
- V. Governance** Action Page 76
 - a. Alternate to the Partnership Board
- VI. Management and Administration** Action Page 79
 - a. Facility & Finance Committee Report
 - i. Organic Material Supply Agreement Recommendation
- VII. Policy - No items.**
- VIII. Updates and Reports** Information Page 120
 - a. Joint Activities Update – Food Scraps Pickup Program
 - b. Facility Updates
 - c. Procurement Report Page 122
- IX. Other** Information
 - a. Invitation for Comments from Ex Officio R&E Board Members:
MPCA and City of Newport
 - b. R&E Board Meeting Schedule
- X. Adjourn**

NEXT MEETING: R&E Board | Thursday, March 23, 2023 | 10:00 a.m. – 12:00 p.m. | Ramsey County EH Maplewood



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**WEDNESDAY, JANUARY 25, 2023
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD MINUTES**

A meeting of the Ramsey/Washington Recycling & Energy Board (R&E Board) was held at 8:30 a.m. Wednesday, January 25, 2023, at Ramsey County Environmental Health Offices, 2785 White Bear Avenue North, Suite 350, Maplewood, Minnesota. Members of the public attended remotely or in person at the Maplewood address.

MEMBERS PRESENT

Commissioners Karla Bigham, Michelle Clasen, Stan Karwoski, Fran Miron – Washington County
Commissioners Nicole Frethem, Trista MatasCastillo, Mary Jo McGuire (alternate), Victoria Reinhardt – Ramsey County

MEMBERS NOT PRESENT

Commissioner Raphael Ortega - Ramsey County
Commissioner Mai Chong Xiong - Ramsey County
Commissioner Gary Kriesel (alternate) - Washington County

EX-OFFICIO MEMBERS PRESENT

Dave Benke – Minnesota Pollution Control Agency (MPCA)

EX-OFFICIO MEMBERS NOT PRESENT

Tom Ingemann – City of Newport

ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD

Leigh Behrens, Dave Brummel, Max Dalton, Rae Eden Frank, Jamie Giesen, Sam Hanson, Sam Holl, Kevin Johnson, Jennefer Klennert, Nate Klett, Juna Ly, Andrea McKennan, Jennifer Nguyễn Moore, Ryan O’Gara, Jim Redmond, Michael Reed, John Ristad, Bob Roche, Jody Tharp, Dave Wiggins

ATTENDING REMOTELY

Joel Anderson, Kate Bartelt, Alison Cameron, Tammy Christopherson, Shannon Conk, Kevin Corbid, Amanda Erickson, Tutu Fatukasi, Sam Ferguson, Cassie Hagen, Tabatha Hansen, Filsan Ibrahim, Katie Keller, Leslie Duling McCollam, Daniel Mock, Gabe Reynolds, Uriel Rosales Tlatenchi, Peder Sandhei, Ken Smith, Ryan Tritz, Ami Wazlawik, Kris Wehlage, Caleb Werth, Joua Yang, Susan Young

CALL TO ORDER/APPROVAL OF THE AGENDA

Chair Reinhardt called the meeting to order at 8:36 a.m. New board members were welcomed. Introductions of attendees in Maplewood were made. Commissioner Frethem moved, seconded by MatasCastillo, to approve the agenda as presented.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

APPROVAL OF MINUTES

Commissioner Miron moved, seconded by Frethem, to approve the minutes of December 14, 2022.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

GOVERNANCE

Election of Officers

Chair

Commissioner MatasCastillo nominated Commissioner Miron for the position of R&E Board chair for a two-year term.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

Commissioner Miron accepted the position of chair and proceeded with election of officers.

Vice Chair

Chair Miron called for nominations for the position of R&E Board vice chair, who will be from Ramsey County. Commissioner MatasCastillo nominated Commissioner Reinhardt for vice chair for a two-year term.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

Secretary/Treasurer

Chair Miron called for nominations for the position of R&E Board secretary/treasurer for a one-year term, fulfilling the second year of a two-year term held by Commissioner Johnson. The secretary/treasurer also serves as the chair of the Facility & Finance Committee. Commissioner Reinhardt nominated Commissioner MatasCastillo.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

Appointments to the Facility & Finance (F&F) Committee

Chair Miron stated that, per the Bylaws, secretary/treasurer MatasCastillo is chair of the F&F Committee. Commissioner Miron recommended appointment of Commissioners Reinhardt and Bigham to the F&F Committee for one-year terms. Commissioner Karwoski moved, seconded by Frethem to ratify the appointments.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

Appointments of Alternates to the Partnership on Waste and Energy (PWE) Board

Chair Miron requested one commissioner from each county to serve as alternates for the PWE Board. Commissioner Frethem moved, seconded by McGuire, to ratify appointments of Commissioners Karwoski and MatasCastillo as alternates for the PWE Board for 2023-2024, representing Washington and Ramsey counties.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

MANAGEMENT AND ADMINISTRATION

Food Scraps Pickup Program Update

Leigh Behrens, R&E projects planning manager, provided an update on the progress of the food scraps pickup program pilot since December 2022, including a bag order placed with the manufacturer, website content development, customer support scripts sent to the call center, four pilot zones finalized and educational and promotional materials produced.

Commissioner McGuire inquired whether, for the full rollout, bags will automatically be sent to residents or will they need to order them. Behrens said that residents will need to opt-in to the program, but a cost analysis of a trial packet for all households is being conducted, and feedback from the pilot program will inform the decision. Commissioner McGuire also noted that residents in multi-unit dwellings would likely pick up welcome packets at mailbox sites and that seniors may not go online to order bags.

Commissioner Karwoski noted that city councils would be great places to educate their residents, citing that the cities of Landfall and Birchwood have quite different demographics and could provide a good picture of the effectiveness of education. Andrea McKennan, Ramsey County, shared that when the pilot program is completed, significant communication with municipalities will occur, and multiple materials and avenues for communications for their residents will be provided.

Commissioner Miron inquired about the status of completed hauler contracts. Jim Redmond, R&E contract manager, said 80 agreements, which represent 80% of all contracts, are in place, and the remaining contracts are in process.

Commissioner Miron inquired whether costs are being incurred with the warehouse vendor due to the delay on the food scraps bag order. Behrens said the warehouse contract is for services rendered, so no costs are incurred until the bags arrive at the warehouse.

Personnel Complement for Food Scraps Pickup Program

Sam Hanson, R&E Joint Activities manager, presented a proposal to add three full-time equivalent (FTE) employees to the food scraps pickup program: program supervisor, communications specialist and customer support associate. Filling these positions in 2023 will provide essential functions in the short-term to successfully launch the program and will serve essential functions over the lifetime of the program. Funds are available in the 2023 Joint Activities Budget. Hanson shared a proposed Joint Activities organizational chart.

Commissioner MatasCastillo moved, seconded by Frethem, to approve Resolution R&EB-2022-01, Personnel Complement Increase. The R&E Board:

- Approves the salary schedules for program supervisor, communications specialist and customer support associate positions.
- Approves the addition of 1.0 FTE program supervisor, 1.0 FTE communications specialist and 1.0 FTE customer support associate to the Joint Activities Budget in 2023 and authorizes the Joint Leadership Team to make necessary budget adjustments.

Commissioner Miron noted that R&E is a growing organization. An analysis of organizational structure is being conducted, and the R&E Board will see recommendations in the future regarding the overall structure.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

UPDATES AND REPORTS

Facility Updates

Sam Holl, R&E Center facility manager, reviewed preliminary 2022 totals for inbound MSW (Municipal Solid Waste), RDF (Refuse Derived Fuel), bulky waste and ferrous and non-ferrous materials. He shared photos of processing enhancements progress for the food scraps sortation building and the resource recovery system (RRS). Pilot and commissioning for both projects are planned for 2023. Construction of the RRS line is to be completed and running mid-year.

Holl provided an update on ongoing projects. R&E plans to bring a recommendation for the anaerobic digestion (AD) organics feedstock supply agreement to the R&E Facility & Finance (F&F) Committee on February 9, 2023, and to the R&E Board on March 1, 2023. Food scrap bag sortation Requests for Proposal for sortation equipment at transfer stations are due February 10, 2023. Recommendations will be brought to the F&F Committee and the full board.

Commissioner Miron asked whether agreements are in place for organics with a composting contractor. Holl said letters of intent and feedstock contracts will cover this. Michael Reed, Ramsey County and R&E Joint Leadership Team, added that organics collected at county drop-off sites are currently being trucked to compost sites.

Commissioner Karwoski inquired about contingency plans for line stoppages or breakdowns. Holl said, using the same approach as with the RDF line, a plan is in place for scheduled maintenance, experienced staff to repair the equipment and parts available for maintenance as needed.

Holl said RDF and residue Request for Information Proposals are due February 21, 2023. Proposals will go through a process similar to that done for the AD vendor. Specifically, R&E is looking for solutions post-2027 when Xcel agreements end.

Commissioner Reinhardt stated that a lot is happening at the State Capitol for the legislative session. Changes at the R&E Center to move waste up the hierarchy are intended to produce less RDF and to keep more out of landfills. State statute requires 75% recycling by 2030; we are currently at about 50%. There is a push to eliminate waste-to-energy credit. Hennepin County has worked out an agreement for \$50 million for the AD facility they are building. Ramsey/Washington counties are not building their own facility and are asking for \$30 million in one-time funding for AD for the East Metro.

Commissioner Clasen shared concerns regarding PFAS in water in her district as a direct result of 3M's pollution. Hennepin County is asking for funding from the 3M settlement, and Washington County is asking for \$250 million. She is advocating for funding for cities directly affected by 3M's pollution to improve their water systems.

Joint Activities Updates

Sam Hanson, R&E Joint Activities manager, provided a brief overview of Joint Activities programs that are active in 2023, including BizRecycling, multi-unit residential recycling, apartment recycling specialists, business pollution prevention, food waste prevention, food scrap pickup program, compost market development, mattress recycling, deconstruction/C&D recycling, reuse and repair, outreach and education.

Procurement Report

Jim Redmond, R&E contract manager, presented the report for the period December 1, 2022, through December 31, 2022.

OTHER

Invitation for Comments from Ex Officio R&E Board Members

Dave Benke, Minnesota Pollution Control Agency (MPCA), stated that impacts of legislation and its unintended consequences are significant. It highlights the need for education of leadership who can share knowledge and concerns with legislative members. The Department of Commerce (DOC) has experienced a turnover equivalent to that in the legislature this year. MPCA has been conducting an education effort with DOC and new legislators. Over \$100 million in investments for waste-to-energy facilities across Minnesota will be proposed.

R&E Board Meeting Schedule

Chair Miron noted that, due to commissioner schedule conflicts, the date and time for the next R&E Board meeting has been changed to Wednesday, March 1, 2023, 8:30-10:30 a.m., at Ramsey County Environmental Health, Maplewood. Commissioner Reinhardt moved, seconded by Karwoski, to approve the amended meeting schedule.

Motion carried 8-0.

Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, McGuire, Miron, Reinhardt Nays: None

ADJOURN

Chair Miron called the meeting adjourned at 10:39 a.m.

ATTESTED TO:

Approved: _____
March 1, 2023

Approved: _____
March 1, 2023



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R&E BOARD MEETING DATE:	March 1, 2023			AGENDA ITEM:	IV			
SUBJECT:	Consent Agenda							
TYPE OF ITEM:	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	<input checked="" type="checkbox"/>	CONSENT
SUBMITTED BY:	Joint Leadership Team							

R&E BOARD ACTION REQUESTED:

Approval of the consent agenda.

EXECUTIVE SUMMARY:

Consent agenda items:

- a. Specialized Labor Services Contract
- b. Replacement Parts and Services for R&E Heavy Machinery Contract
- c. Replacement Parts and Services for R&E Trailers Contract
- d. Specialized Welding, Fabrication, and Machining Services Contract
- e. Scalehouse Staffing Contract
- f. External Legal Services Contract
- g. Waste Delivery Agreement with the City of Saint Paul

ATTACHMENTS:

- 1. Draft Resolution
- 2. Draft Agreement with Corval Constructors, Inc.
- 3. Draft Agreement with North American Trailer Sales, Ltd.
- 4. Draft Agreement with Industrial Welders & Machinists, Inc.
- 5. Draft Agreement with Universal Protection Service, LLC d/b/a Allied Universal Security Services
- 6. Draft Agreement with City of Saint Paul



**RAMSEY/WASHINGTON
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RESOLUTION R&EB-2023-02

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, 2022 (“Joint Powers Agreement”); and

WHEREAS, The R&E Board adopted Procurement Guidelines on April 21, 2022 (Resolution R&EB–2022-06), which specify the procurement methods for contracts and purchases; and

WHEREAS, The R&E Board approved the 2022-2023 Joint Activities, Facility, and Equipment Maintenance & Replacement (“EM&R”) budgets on July 22, 2021, in accordance with Section V.B.8 of the Joint Powers Agreement; and

WHEREAS, The R&E Board has a need to contract for specialized labor services unique to the R&E Center, proprietary replacement parts and maintenance for heavy machinery used at the R&E Center, replacement parts and services for the trailers R&E uses to haul refuse-derived fuel and waste materials, highly specialized labor and materials for welding, fabrication, and machining services, and staffing at the R&E Center Scale House knowledgeable about R&E Center processes and procedures, all of which are vital to the ongoing operations of the R&E Center; and

WHEREAS, R&E’s outside legal counsel has joined a new law firm, and because of his irreplaceable institutional knowledge and current involvement in sensitive and urgent negotiations that require his ongoing involvement, R&E needs to enter into a new agreement with his new firm; and

WHEREAS, On October 27, 2022 (Resolution R&EB–2022-06), the R&E Board authorized the Joint Leadership Team to approve Waste Delivery Agreements in a form substantially the same as the template provided for review; and

WHEREAS, The City of Saint Paul has policies and insurance in place that are substantially different than the Waste Delivery Agreement template and requested a modification to the agreement; and

WHEREAS, R&E’s legal and risk management staff reviewed and recommends approval of the modifications to the Waste Delivery Agreement for the City of Saint Paul, and the Joint Leadership Team recommends allowing the changes. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the following upon approval as to form by the Ramsey and Washington County attorneys:

1. Authorization for the Joint Leadership Team (JLT) to approve agreements with Corval Constructors, Inc., Ziegler, Inc., North American Trailer Sales, Ltd., Universal Protection Service, LLC d/b/a Allied Universal Security Services, Industrial Welders & Machinists, Inc., and Husch Blackwell, LLP., and amendments thereto, for terms of up to five years from the

- date of execution upon approval as to form by the county attorney and within the project budget.
2. Authorization for the JLT to approve the modified Waste Delivery Agreement with the City of Saint Paul.

Fran Miron, Board Chair
March 1, 2023

Attest
March 1, 2023



Ramsey/Washington Recycling & Energy Board

Contract Number: RESFA001728

Contractor Name: Corval Constructors, Inc.

Vendor ID: 0000186678

CERT SBE SVN:

Department: Facility

Contract Authority/Resolution: Resolution

Resolution #: R&EB 2023-XX

Good/Service Type: SEML

Contract Description: Specialized Labor Services

Contract Type: As requested/rate setting

Not To Exceed Amount: n/a

Funding Notes:

Original Contract Begin Date: May 1, 2023

Contract End Date: April 30, 2024

Comments:

Corval Constructors has provided specialized labor services at R&E for several years. Based on their familiarity with R&E's needs, equipment, safety procedures, and the specialized focus of their labor services, Single Source authority is justified for the timely completion of a program or project and for which competition would have a significant adverse impact on the program or project, including, but not limited to, project delays



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Agreement Between Ramsey/Washington Recycling & Energy Board and Corval Constructors, Inc.

THIS AGREEMENT made and entered into by and between the Ramsey/Washington Recycling & Energy Board, hereinafter referred to as the “R&E Board”, and Corval Constructors, Inc., with its principal place of business at 1633 Eustis Street, St. Paul, MN 55108, hereinafter referred to as the “Contractor” or “Vendor”.

1. Term

The term of the Agreement shall be May 1, 2023 through April 30, 2024, and shall be renewal for up to four one-year terms.

2. Cost/Payment

- a) R&E shall pay the Contractor rates as set forth in Exhibit A which is attached hereto and incorporated herein.
- b) Contractor shall submit monthly invoices.
- c) R&E shall make payment to the Contractor within thirty (30) days of the date on which the invoice is received. If the invoice is incorrect, defective or otherwise improper, R&E will notify the Contractor within ten (10) days of receiving the incorrect invoice. Upon receiving the corrected invoice, R&E will make payment within thirty (30) days of the corrected invoice.
- d) Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.
- e) The Contractor shall email invoices to: R&E Center – Supply Chain Coordinator.

3. Contractor Obligations

- a) The Contractor shall provide staff with proper training, qualifications, and experience to provide specialized labor, repair and maintenance services as requested by R&E Center staff.
- b) Contractor is not responsible for the following:
 - i. Safety tests, installation of new devices, or modification to any equipment to comply with recommendations or directives from insurance companies, equipment suppliers, governmental authorities or otherwise.
 - ii. Any delay, loss or damage caused in whole or in part by the unavailability of machinery, equipment, or materials; delay of carriers, strikes, lockouts, or other labor unrest; riots, wars or other civil unrest; theft or malicious acts; corrosion, normal wear and tear or any other cause beyond Contractor’s control.

4. R&E Board Roles and Responsibilities

R&E shall:

- a) Provide reasonable access to the R&E Center premises and equipment being serviced. Contractor shall not be responsible for any costs relating to the removal, replacement or resurfacing of the building necessitated for access to the equipment being serviced.
- b) Permit Contractor to operate equipment if necessary to perform the services pursuant to this Agreement.

5. Audits, Reports, Records and Monitoring Procedures/Records Availability and Retention

Pursuant to Minn. Stat. section 16C.05 subd. 5, the Contractor will:

- a) Maintain records which reflect all revenues, costs incurred and services provided in the performance of this Agreement.
- b) Agree that R&E, the State Auditor or legislative authority, or any of their duly authorized representatives at any time during normal business hours, and as often as they may deem reasonably necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, and accounting procedures and practices of the Vendor which are relevant to the Vendor's performance and determination of the agreed upon payment rate under this Agreement. The proposer agrees to maintain and make available these records for a period of six (6) years from the date of the termination of this Agreement.

6. Compliance with Law

- a) The Contactor shall comply with all applicable Federal and State Statutes and regulations as well as local ordinances now in effect or hereafter adopted.
- b) Failure to meet the requirements of Section a. above may be cause for cancellation of the Agreement effective the date of receipt of the Notice of Cancellation.

7. Data Practices

All data collected, created, received, maintained or disseminated for any purpose by the activities of the Contractor because of this agreement shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (Act), as amended and Rules implementing the Act now in force or as amended. The contractor is subject to the requirements of the Act and Rules and must comply with those requirements as if it is a governmental entity subject to the Act and Rules. The remedies contained in section 13.08 of the Act shall apply to the Contractor.

8. Nondiscrimination

The performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability, age, marital status, or status with regard to public assistance. The Contractor will take affirmative action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Contractor agrees to comply with the nondiscrimination provision set forth in Minnesota Statute 181.59. The Contractor's failure to comply with section 181.59 may result in cancellation or termination of the agreement, and all money due or to become due under the contract may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

9. Indemnification and Hold Harmless

The Vendor does hereby agree that it will defend, indemnify, and hold harmless R&E, its agents, officers and employees against any and all liability, loss, damages, costs and expenses which R&E may hereafter sustain, incur or be required to pay by reason of any negligent act or omission or intentional act of the Vendor, its agents, officers or employees during the performance of this Agreement.

10. Insurance

The Vendor does further agree that in order to protect itself, as well as R&E, it will at all times during the term of the Agreement have and keep in force:

- i. Commercial General Liability/Professional Liability with contractual liability coverage in the amount of R&E's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time. R&E, its agents, officers, and employees shall be listed as an additional insured as it relates to these liabilities.
- ii. Automobile coverage in the amount of R&E's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time.
- iii. Workers' Compensation in statutory amount (if applicable).

Evidence of Insurance shall be provided before this Agreement is effective. R&E shall be given thirty (30) days advance written notice of any changes in coverage.

In the event that claims or lawsuits shall arise jointly against the Vendor and R&E, and R&E elects to present its own defense, using its own counsel, in addition to or as opposed to legal representation available by the insurance carriers providing the coverage as stated above, then such legal expense shall be borne by R&E.

11. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Vendor as the agent, representative, or employee of R&E for any purpose or in any manner

whatsoever. The Vendor is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

The Vendor represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Contractor or other persons, while engaged in the performance of any work or services required by the Contractor under this Agreement, shall have no contractual relationship with R&E and shall not be considered employees of R&E.

Neither the Vendor nor its employees will at any time be construed to be employees of R&E. The Vendor is responsible for its employees' compensation, fringe benefits and all insurance coverage.

12. Subcontracting and Assignment

The Vendor shall not enter into any subcontract for performance of any services contemplated under this Agreement; nor novate or assign any interest in the agreement without the prior written approval of R&E. Any assignment or novation may be made subject to such conditions and provisions as R&E may impose.

If the Contractor subcontracts the obligations under this agreement, the contractor shall be responsible for the performance of all obligations by the subcontractors.

13. Contract Modifications

Any material alteration, modification or variation shall be reduced to writing as an amendment and signed by the parties. Any alteration, modification, or variation deemed not to be material by agreement of R&E and the Contractor shall not require written approval.

14. Merger

It is understood and agreed that the entire agreement of the parties is contained herein and this Agreement supersedes all oral agreements and negotiations between the parties relating to this subject matter. All items referred to in this Agreement are incorporated or attached and deemed to be a part of the Agreement.

15. Possession of Firearms on R&E Board Premises

Unless specifically required by the terms of this contract, no provider of services pursuant to this contract, including but not limited to employees, agents or subcontractors of the Vendor shall carry or possess a firearm on R&E Board premises or while acting on behalf of R&E Board pursuant to the

terms of this agreement. Violation of this provision shall be considered a substantial breach of the Agreement; and, in addition to any other remedy available to R&E under law or equity. Violation of this provision is grounds for immediate suspension or termination of this contract.

16. Performance

All services performed by the Vendor pursuant to this Agreement shall be performed to the satisfaction of R&E, as determined at the sole discretion of its authorized representative, and in

accord with all applicable federal, state, and local laws, ordinances, rules and regulations. Services not performed in accordance with the terms and conditions of RFQ and contract shall be considered a material breach and shall be cause for be immediate termination by R&E Board. The Vendor shall not receive payment for work found by R&E to be unsatisfactory, or performed in violation of federal, state, or local law, ordinance, rule or regulation. In the event of work found by R&E to be unsatisfactory, R&E shall provide Vendor with written notice describing the work found to be unsatisfactory in any reasonable respect and thirty (30) days to correct the unsatisfactory service performed. Vendor shall work with R&E to correct the unsatisfactory service to R&E Board's mutual satisfaction within thirty (30) days of said notice. If service is not corrected to the satisfaction of R&E, it shall be considered a material breach and shall be cause for be immediate termination by R&E Board.

17. Force Majeure

Neither Party shall be in default by reason of any failure in performance of the contract if such failure arises out of causes beyond their reasonable control and without the fault or negligence of said Party including, unforeseeable acts of nature; terrorism or other acts of public enemy; war and epidemics or quarantine restrictions.

If either Party is delayed at any time in the progress of the work governed by the contract by force majeure, the delayed Party shall notify the other Party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in the notice. The notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this provision. The delayed Party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed Party from performing in accordance with this contract.

18. Termination

R&E may immediately terminate this Agreement if any proceeding or other action is filed by or against the Contractor seeking reorganization, liquidation, dissolution, or insolvency of the Contractor under any law relating to bankruptcy, insolvency or relief of debtors. The Contractor shall notify R&E upon the commencement of such proceedings or other action.

If the Contractor violates any material terms or conditions of this Agreement R&E may, without prejudice to any right or remedy, give the Contractor, and its surety, if any, thirty (30) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If the Contractor fails to cure the deficiency within the thirty (30) day cure period, this Agreement shall terminate upon expiration of the cure period.

R&E may terminate this Agreement without cause upon giving at least thirty (30) calendar days written notice thereof to the Contractor. In such event, the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

19. Policy Compliance

The Proposer shall, as a condition of being awarded this Agreement, to require each of its agents, officers and employees to abide by R&E's policies prohibiting sexual harassment, firearms and smoking, as well as all other reasonable work rules, safety rules or policies regulating the conduct of persons on R&E Board property at all times while performing duties pursuant to this Agreement. The Proposer agrees and understands that a violation of any of these policies or rules constitutes a breach of the Agreement and sufficient grounds for immediate termination of the Agreement by R&E.

20. Contractor Debarment, Suspension, and Responsibility

Federal Regulation 45 CFR 92.35 prohibits R&E from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minnesota Statutes, Section 16C.03, subdivision 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with R&E. Vendors may be suspended or debarred when it is determined through a duly authorized hearing process, that they have abused the public trust in a serious manner.

21. Notices

All notices under this Agreement, and any amendments to this Agreement, shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, postage prepaid, when delivered via personal service or when received if sent by overnight courier. All notices shall be directed to the Parties at the respective addresses set forth below. If the name and/or address of the representatives change, notice of such change shall be given to the other Party in accordance with the provisions of this section.

R&E Board Project Contacts:

James Redmond - Ramsey/Washington Recycling & Energy Board
100 Red Rock Road
Newport, MN 55055

Contractor Project Contact:

Aaron Peterson - Corval Constructors
1633 Eustis Street
St. Paul, MN 55108

IN WITNESS WHEREOF the parties have executed this Agreement as of the dates below.

CORVAL CONSTRUCTORS, INC

By: _____

Date: _____

Title: _____

RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD:

By: _____
David Brummel, Joint Leadership Team

Date: _____

By: _____
Michael Reed, Joint Leadership Team

Date: _____

Approved As To Form:

By: _____
County Attorney

Date: _____

Reviewed by: _____

Reviewed by: _____



Ramsey/Washington Recycling & Energy Board

Contract Number: RESFA001729

Contractor Name: North American Trailer Sales
Vendor ID: 208082
CERT SBE SVN:

Department: Facility

Contract Authority/Resolution: Resolution
Resolution #: R&EB 2023-XX

Good/Service Type: SEML

Contract Description: Aluminum trailer equipment parts and service

Contract Type: Rate Setting

Funding Notes:

Original Contract Begin Date: March 1,2023
Contract End Date: February 29, 2024

Comments:

Vendor will provide aluminum trailer parts and service. Single Source authority is justified for this purchase based on the following: The equipment offered by the contractor is necessary for timely completion of a program or project and for which competition would have a significant adverse impact on the program or project, including, but not limited to, project delays. In addition, the vendor has manufactured many of the trailers used at the facility and understands how they operate and stocks what parts they need.



**Agreement Between Ramsey/Washington Recycling & Energy Board
and North American Trailer Sales, Ltd.
for Equipment Parts and Service**

THIS AGREEMENT made and entered into by and between the Ramsey/Washington Recycling & Energy Board, hereinafter referred to as “R&E”, and North American Trailer Sales, Ltd. with its principal place of business at 11015 Clark Rd, Inver Grove Heights, MN 55077 hereinafter referred to as the “Contractor” or “Vendor”.

1. Term

Notwithstanding the dates of the signatures on this Agreement, the term shall be March 1, 2023 through February 29, 2024 with the possibility of four one-year renewals.

2. Cost/Payment

a) R&E shall pay the Contractor for the services to be provided by the Contractor pursuant to this Agreement at the following rates, plus all applicable sales, use and/or similar taxes:

Item Description	Unit of Measurement	Rate
Parts	Cost + Percentage of Markup	Cost + percentage markup not to exceed 35%
Labor for emergency, on-the-road work/repairs	Per Hour	\$175
Labor for, routine work/repairs at R&E Center	Per Hour	\$111
Labor for non-emergency, routine work/repairs at Contractor’s shop location	Per Hour	\$111
Shop Fees	Percentage of Labor Costs	10.5% (capped at \$300)

- b) Contractor shall provide an itemized invoice no later than the end of the month following the month in which work is completed.
- c) Contractor shall provide parts, supplies and materials invoices from its supplier upon R&E Board’s request.
- d) Prices shall be guaranteed for the initial term of the Agreement. If contract is extended additional years, the pricing may be adjusted upon agreement by both parties. Contract renewals and changes to pricing shall be made by written agreement.

- e) Repair services invoices shall include:
 - i. date and description of work performed
 - ii. number of labor hours billed
 - iii. itemized labor rate and total labor billed
 - iv. description and quantity of each part repaired/replaced
 - v. each part's list price, percentage mark-up on supplier's parts list price, each part's invoiced price
 - vi. total for invoice
- f) If applicable, invoices shall show applicable Minnesota sales tax of 6.875% separately.
- g) No payment will be made until the invoice has been approved by R&E.
- h) R&E shall make payment to the Contractor within thirty (30) days of the date on which the invoice is received. If the invoice is incorrect, defective or otherwise improper, R&E will notify the Contractor within ten (10) days of receiving the incorrect invoice. Upon receiving the corrected invoice, R&E will make payment within thirty (30) days of the corrected invoice.
- i) Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.
- j) The Contractor shall email invoices to R&E Center – Supply Chain Coordinator.

3. Contractor Obligations

Contractor shall provide the list of services outlined below.

a) Non-Emergency Maintenance and Repair (Routine)

Non-emergency maintenance and repairs shall be performed on an as-required basis. Contractor's initial response to any Recycling and Energy Center (R&E Center) service request for non-emergency type work will take place within seven (7) days. This response will consist of diagnosis of the problems and cost estimates (quotes) for the maintenance and/or repair. Non-emergency maintenance and/or repairs will begin as soon as R&E staff authorizes the maintenance and/or repairs. Vendor shall also track annual DOT inspection dates for each trailer and notify R&E Center staff when they are due.

b) Parts

All parts required for repair of trailers shall be provided by the Contractor. R&E reserves the right, should it deem necessary, to inspect Vendor's mark-up procedure. Parts shall be approved by R&E Center staff prior to use.

c) Emergency Repair

Emergency on-the-road repair will be performed on an as-required basis. Initial response to any service request shall take place within sixty (60) minutes. This response will consist of diagnosis of the problems and cost estimates (quotes) for the repair. Emergency repairs will begin as soon as the R&E Center staff authorizes the repairs.

The Contractor shall guarantee against faulty material, its repair service to be free from defects and workmanship, given normal use and care, for a minimum of 90 days from the date of repair or the manufacturer guarantee, whichever is longer. If such fault develops during this period, the Contractor agrees to replace/repair the affected items without cost to R&E. Contractor shall provide R&E copies of all manufacturer guarantees and warranties documents that relate to any

equipment or parts furnished for each repair.

The Contractor shall provide R&E with invoice documentation of Contractor's cost of each part used in the maintenance and repair of each trailer.

The Contractor guarantees that all equipment, parts, and supplies used in performing repairs or maintenance are standard new items, that all equipment, parts, and supplies used for the type of equipment serviced; has not been substituted or applied contrary to the manufacturer's recommendations and standard practice.

4. Audits, Reports, Records and Monitoring Procedures

The Contractor will:

(a) Maintain records which reflect all revenues, costs incurred and services provided in the performance of the Agreement.

(b) Agree that R&E, the State Auditor or legislative authority, or any of their duly authorized representatives at any time during normal business hours, and as often as they may deem reasonable and necessary for a minimum of six years from the end of this contract pursuant to Minnesota Statute 16C.05, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, and accounting procedures and practices of the Vendor which are relevant to the Vendor's performance and determination of the agreed upon discounted payment rate under this Agreement.

5. Standards

a) The Contactor shall comply with all applicable Federal and State Statutes and regulations as well as local ordinances now in effect or hereafter adopted.

b) Failure to meet the requirements of Section a. above may be cause for cancellation of the Agreement effective the date of receipt of the Notice of Cancellation.

6. Data Privacy

All data collected, created, received, maintained or disseminated for any purpose by the activities of the contractor because of this agreement shall be governed by the Minnesota Government Data Practices Act (Act), Minn. Stat. Chap.13, as amended and Rules implementing the Act. The contractor is subject to the requirements of the Act and Rules and must comply as if it is a governmental entity subject to the Act and Rules. The remedies contained in section 13.08 of the Act shall apply to the contractor.

7. Nondiscrimination

Pursuant to Minn. Stat. Chapter 364 and Minn. Stat. 181.59 and General R&E Board policy, every contract shall contain provisions by which the contractor agrees to freedom from discrimination in employment.

8. Indemnity and Insurance

a) Indemnity - The Vendor does hereby agree that it will defend, indemnify, and hold harmless R&E, its agents, officers and employees against any and all liability, loss, damages, costs and

expenses which R&E may hereafter sustain, incur or be required to pay by reason of any negligent act or omission or intentional act of the Vendor, its agents, officers or employees during the performance of this Agreement.

b) Insurance - The Vendor does further agree that in order to protect itself, as well as R&E, it will at all times during the term of the Agreement have and keep in force:

- i. Commercial General Liability/Professional Liability with contractual liability coverage in the amount of R&E's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time. R&E, its agents, officers, and employees shall be listed as an additional insured as it relates to these liabilities.
- ii. Automobile coverage in the amount of R&E's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time.
- iii. Workers' Compensation in statutory amount (if applicable).

Evidence of Insurance shall be provided before this Agreement is effective. R&E shall be given thirty (30) days advance written notice of any changes in coverage.

In the event that claims or lawsuits shall arise jointly against the Vendor and R&E, and R&E elects to present its own defense, using its own counsel, in addition to or as opposed to legal representation available by the insurance carriers providing the coverage as stated above, then such legal expense shall be borne by R&E.

9. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Vendor as the agent, representative, or employee of R&E for any purpose or in any manner whatsoever. The Vendor is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

The Vendor represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Contractor or other persons, while engaged in the performance of any work or services required by the Contractor under this Agreement, shall have no contractual relationship with R&E and shall not be considered employees of R&E.

Neither the Vendor nor its employees will at any time be construed to be employees of R&E. The Vendor is responsible for its employees' compensation, fringe benefits and all insurance coverage.

10. Subcontracting and Assignment

The Vendor shall not enter into any subcontract for performance of any services contemplated under this agreement; nor novate or assign any interest in the agreement without the prior written approval of R&E. Any assignment or novation may be made subject to such conditions and provisions as R&E may impose. If the contractor subcontracts the obligations under this

agreement, the contractor shall be responsible for the performance of all obligations by the subcontractors.

11. Modifications

Any material alteration, modification or variation shall be reduced to writing as an amendment and signed by the parties. Any alteration, modification, or variation deemed not to be material by agreement of R&E and the Contractor shall not require written approval.

12. Merger

It is understood and agreed that the entire agreement of the parties is contained herein and this Agreement supersedes all oral agreements and negotiations between the parties relating to this subject matter. All items referred to in this Agreement are incorporated or attached and deemed to be a part of the Agreement.

13. Performance

All services performed by the Vendor pursuant to this Agreement shall be performed to the satisfaction of R&E, as determined at the sole discretion of its authorized representative, and in accord with all applicable federal, state, and local laws, ordinances, rules and regulations. Services not performed in accordance with the terms and conditions of RFQ and contract shall be considered a material breach and shall be cause for be immediate termination by R&E Board. The Vendor shall not receive payment for work found by R&E to be unsatisfactory, or performed in violation of federal, state, or local law, ordinance, rule or regulation. In the event of work found by R&E to be unsatisfactory, R&E shall provide Vendor with written notice describing the work found to be unsatisfactory in any reasonable respect and thirty (30) days to correct the unsatisfactory service performed. Vendor shall work with R&E to correct the unsatisfactory service to R&E Board's mutual satisfaction within thirty (30) days of said notice. If service is not corrected to the satisfaction of R&E, it shall be considered a material breach and shall be cause for be immediate termination by R&E Board.

14. Contractor Debarment, Suspension, and Responsibility

Federal Regulation 45 CFR 92.35 prohibits R&E from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minnesota Statutes, Section 16C.03, subdivision 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with R&E. Vendors may be suspended or debarred when it is determined through a duly authorized hearing process, that they have abused the public trust in a serious manner.

13. Termination

R&E may immediately terminate this Agreement if any proceeding or other action is filed by or against the Contractor seeking reorganization, liquidation, dissolution, or insolvency of the Contractor under any law relating to bankruptcy, insolvency or relief of debtors. The Contractor shall notify the County upon the commencement of such proceedings or other action.

If the Contractor violates any material terms or conditions of this Agreement R&E may, without prejudice to any right or remedy, give the Contractor, and its surety, if any, seven (7) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If

the Contractor fails to cure the deficiency within the seven (7) day cure period, this Agreement shall terminate upon expiration of the cure period.

R&E may terminate this Agreement without cause upon giving at least thirty (30) calendar day's written notice thereof to the Contractor. In such event, the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

14. Interpretation of Agreement; Venue

The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate State or Federal District Court in Ramsey County, Minnesota.

The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

15. Warranty

The Contractor warrants that it has the legal right to provide the goods and services identified in this Agreement and further warrants that the goods and services provided shall be in compliance with the provisions of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the dates below.

NORTH AMERICAN TRAILER SALES, LTD.

RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD:

NORTH AMERICAN TRAILER SALES, LTD.

RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD:

By: _____

By: _____

David Brummel, Joint Leadership Team

Date: _____

Date: _____

Title: _____

By: _____

Michael Reed, Joint Leadership Team

Date: _____

Approved As To Form:

By: _____

County Attorney

Date: _____

Reviewed by: _____

Reviewed by: _____



Ramsey/Washington Recycling & Energy Board

Contract Number: RESFA001742

Contractor Name: Industrial Welders & Machinists Inc.
Vendor ID: 212687
CERT SBE SVN:

Department: Facility

Contract Authority/Resolution: Resolution
Resolution #: R&EB 2023-XX

Good/Service Type: SEML

Contract Description: labor and materials for welding, fabrication and machining services

Contract Type: As requested/rate setting

Not To Exceed Amount: n/a

Funding Notes:

Original Contract Begin Date: March 1, 2023
Contract End Date: February 29, 2023

Comments:

Vendor provides labor and materials for welding, fabrication and machining services. Single Source authority is justified based on the vendor's ability to make and repair custom parts for the facility, which is necessary for timely completion of a program or project and for which competition would have a significant adverse impact on the program or project, including, but not limited to, project delays.



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

Agreement Between Ramsey/Washington Recycling & Energy Board and Industrial Welders & Machinists, Inc.

THIS AGREEMENT made and entered into by and between the Ramsey/Washington Recycling & Energy Board, hereinafter referred to as the “R&E”, and Industrial Welders & Machinists, Inc. with its principal place of business at 3902 Oneota Street, Duluth, MN 55816, hereinafter referred to as the “Contractor” or “Vendor”.

1. Term

Notwithstanding the dates on the signatures on this Agreement, the term shall be from March 1, 2023 through February 29, 2024 with the option of four one-year renewals.

2. Cost/Payment

a) R&E shall pay the Contractor for the services to be provided by the Contractor pursuant to this Agreement at the following rates, plus all applicable sales, use and/or similar taxes and shipping costs:

Item Description	Unit of Measurement	Rate
Supplies/Materials	Cost + Percentage of Markup	Cost + 10%
Labor/Shop fee Monday through Friday up to 8 hours	Per Hour	\$115
Labor/Shop fee – Monday through Friday for hours in excess of 8 and Saturdays	Per hour	\$172.50
Labor/Shop fee - Sundays	Per hour	\$230

- b) Contract renewals and changes to pricing shall be made by written agreement.
- c) Invoices shall show applicable sales tax separately.
- d) No payment will be made until the invoice has been approved by R&E.
- e) R&E shall make payment to the Contractor within thirty (30) days of the date on which the invoice is received. If the invoice is incorrect, defective or otherwise improper, R&E will notify the Contractor within ten (10) days of receiving the incorrect invoice. Upon receiving the corrected invoice, R&E will make payment within thirty (30) days of the corrected invoice.
- f) Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.
- g) The Contractor shall email invoices to R&E Center – Supply Chain Coordinator.

3. Scope of Services

Contractor shall furnish labor and materials for welding, fabrication and machining services. Products furnished under this Agreement are guaranteed against any defect due to faulty material or workmanship. Products with such defects will be replaced by the Contractor with no additional cost to the R&E Board.

The supplies and services furnished under this Agreement are guaranteed against any defect due to faulty material or workmanship. Such defects will be replaced by the Contractor with no additional cost to R&E.

4. Audits, Reports, Records and Monitoring Procedures

The Contractor shall:

- a) Maintain records which reflect all revenues, costs incurred and services provided in the performance of the Agreement.
- b) Agree that R&E, the State Auditor or legislative authority, or any of their duly authorized representatives at any time during normal business hours, and as often as they may deem reasonable and necessary for a minimum of six years from the end of this contract pursuant to Minn. Stat. § 16C.05, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, and accounting procedures and practices of the Vendor which are relevant to the Vendor's performance and determination of the agreed upon discounted payment rate under this Agreement.

5. Data Privacy

All data collected, created, received, maintained or disseminated for any purpose by the activities of the contractor because of this agreement shall be governed by the Minnesota Government Data Practices Act (Act), Minn. Stat. Ch. 13, as amended and Rules implementing the Act. The contractor is subject to the requirements of the Act and Rules and must comply as if it is a governmental entity subject to the Act and Rules. The remedies contained in section 13.08 of the Act shall apply to the contractor.

6. Nondiscrimination

Pursuant to Minn. Stat. Ch. 364 and Minn. Stat. § 181.59 and General R&E Board policy, every contract shall contain provisions by which the contractor agrees to freedom from discrimination in employment.

7. Indemnity and Insurance

a) Indemnity - The Vendor does hereby agree that it will defend, indemnify, and hold harmless R&E, its agents, officers and employees against any and all liability, loss, damages, costs and expenses which R&E may hereafter sustain, incur or be required to pay by reason of any negligent act or omission or intentional act of the Vendor, its agents, officers or employees during the performance of this Agreement.

b) Insurance - The Vendor does further agree that in order to protect itself, as well as R&E, it will at all times during the term of the Agreement have and keep in force:

- i. Commercial General Liability of no less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, \$2,000,000 products/completed operations total limit, \$1,000,000

personal injury and advertising liability. R&E, its agents, officers, and employees shall be added to the policy as additional insured on a primary and non-contributory basis with respect to the ongoing and completed operations of the proposer providing coverage at least as broad as ISO forms CG 2010 and CG 2037, and solely as respects liability arising out of WTW's operations or work being performed in connection with this agreement. Waiver of subrogation is required.

- ii. If the Contractor is driving on behalf of R&E as part of the Contractor's services under the Agreement, a minimum of \$1,000,000 combined single limit Auto Liability, including hired, and non-owned vehicles. R&E Board shall be added to the policy as additional insured on a primary and non-contributory basis. Waiver of subrogation is required.
- iii. Workers' Compensation in statutory amount (if applicable).

Evidence of Insurance shall be provided before this Agreement is effective. All Certificates of Insurance must indicate that policies may not be non-renewed or cancelled unless best endeavors are used to provide Thirty (30) days advance written notice to R&E Board. Best endeavors will be used to provide Thirty (30) days notice for non-payment of premium.

In the event that claims or lawsuits shall arise jointly against the Vendor and R&E, and R&E elects to present its own defense, using its own counsel, in addition to or as opposed to legal representation available by the insurance carriers providing the coverage as stated above, then such legal expense shall be borne by R&E.

8. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Vendor as the agent, representative, or employee of R&E for any purpose or in any manner whatsoever. The Vendor is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

The Vendor represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Contractor or other persons, while engaged in the performance of any work or services required by the Contractor under this Agreement, shall have no contractual relationship with R&E and shall not be considered employees of R&E.

Neither the Vendor nor its employees will at any time be construed to be employees of R&E. The Vendor is responsible for its employees' compensation, fringe benefits and all insurance coverage.

9. Subcontracting and Assignment

The Vendor shall not enter into any subcontract for performance of any services contemplated under this agreement; nor novate or assign any interest in the agreement without the prior written approval of R&E. Any assignment or novation may be made subject to such conditions and provisions as R&E may impose. If the contractor subcontracts the obligations under this

agreement, the contractor shall be responsible for the performance of all obligations by the subcontractors.

10. Modifications

Any material alteration, modification or variation shall be reduced to writing as an amendment and signed by the parties. Any alteration, modification, or variation deemed not to be material by agreement of R&E and the Contractor shall not require written approval.

11. Merger

It is understood and agreed that the entire agreement of the parties is contained herein and this Agreement supersedes all oral agreements and negotiations between the parties relating to this subject matter. All items referred to in this Agreement are incorporated or attached and deemed to be a part of the Agreement.

12. Contractor Debarment, Suspension, and Responsibility

Federal Regulation 45 CFR 92.35 prohibits R&E from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minn. Stat. § 16C.03, subd. 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with R&E. Vendors may be suspended or debarred when it is determined through a duly authorized hearing process, that they have abused the public trust in a serious manner.

13. Termination

R&E may immediately terminate this Agreement if any proceeding or other action is filed by or against the Contractor seeking reorganization, liquidation, dissolution, or insolvency of the Contractor under any law relating to bankruptcy, insolvency or relief of debtors. The Contractor shall notify the County upon the commencement of such proceedings or other action.

If the Contractor violates any material terms or conditions of this Agreement R&E may, without prejudice to any right or remedy, give the Contractor, and its surety, if any, seven (7) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If the Contractor fails to cure the deficiency within the seven (7) day cure period, this Agreement shall terminate upon expiration of the cure period.

R&E may terminate this Agreement without cause upon giving at least thirty (30) calendar day's written notice thereof to the Contractor. In such event, the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

14. Interpretation of Agreement; Venue

The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate State or Federal District Court in Ramsey County, Minnesota.

The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

15. Warranty

Seller warrants products manufactured by it and supplied hereunder to be free from defects in materials and workmanship under normal use and proper maintenance for a period of twelve (12) months from date of shipment. If within such period any such products shall be proved to Seller's reasonable satisfaction to be defective, such products shall be repaired or replaced at Seller's option. Seller's obligation and Buyer's exclusive remedy hereunder shall be limited to such repair and replacement and shall be conditioned upon Seller's receiving written notice of any alleged defect no later than ten (10) days after its discovery within the warranty period and, at Seller's option, the return of such products to Seller, f.o.b. its factory, when such return is feasible. Seller reserves the right to satisfy its warranty obligation in full by reimbursing Buyer for all payments it makes hereunder, and Buyer shall thereupon return the products to Seller. Seller shall have the right to remedy such defects. Seller makes no warranty with respect to wear or use items such as belts, chains, sprockets, discs and coils all which are sold strictly AS IS, and controls, accessories, or components not manufactured by Seller, which are warranted only to the extent, if any, of the manufacturer's warranty for such controls, accessories, or components.

IN WITNESS WHEREOF the parties have executed this Agreement as of the dates below.

Industrial Welders & Machinists, Inc.

RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD:

By: _____

By: _____

David Brummel, Joint Leadership Team

Date: _____

Date: _____

Title: _____

By: _____

Michael Reed, Joint Leadership Team

Date: _____

Approved As To Form:

By: _____

County Attorney

Date: _____

Reviewed by: _____

Reviewed by: _____



Ramsey/Washington Recycling & Energy Board

Contract Number: RESFA001746

Contractor Name: Universal Protection Service, LLC d/b/a Allied Universal Security Services

Vendor ID:

CERT SBE SVN:

Department: Facility

Contract Authority/Resolution: Resolution

Resolution #: 2023-XX

Good/Service Type: professional services

Contract Description: staff for the scale house

Contract Type: hourly reimbursement

Budgeted: rate setting

Funding Notes:

Original Contract Begin Date: March 1, 2023

End Date: February 29, 2024

Comments:

Contractor provides staffing services for the R&E's scale house. Single Source authority is justified based on the services being offered by the contractor are necessary for timely completion of a program or project and for which competition would have a significant adverse impact on the program or project, and the contractor is continuing previous or additional work that cannot be acquired easily or effectively from another contractor or individual due to patent or institutional knowledge gained performing the previous work.



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

Agreement Between Ramsey/Washington Recycling & Energy Board and Universal Protection Service, LLC d/b/a Allied Universal Security Services for Security Services

THIS AGREEMENT made and entered into by and between the Ramsey/Washington Recycling & Energy Board, hereinafter referred to as the “R&E Board”, and Universal Protection Service, LLC d/b/a Allied Universal Security Services, a Florida corporation with its principal place of business at 12300 Elm Creek Boulevard, Mailstop 210, Maple Grove, MN 55369, hereinafter referred to as the “Contractor” or “Vendor”.

1. Term

Notwithstanding the dates of the signatures, the term of the Agreement shall be March 1, 2023 through February 29, 2024 with the option of four, one-year renewals.

2. Cost/Payment

- a) The R&E Board shall pay the Contractor for the services to be provided by the Contractor pursuant to this Agreement at the following rates, plus all applicable sales, use and/or similar taxes:

Rates March 1, 2023 through February 29, 2024

Title	Pay Rate	Bill Rate	Overtime/Holiday Rate
Guard 2	\$22.50	\$36.84	\$55.30
Guard 3	\$24.14	\$39.58	\$59.37

- b) Overtime hours in excess of 40 hours per week or eight hours per day, whichever is applicable to local labor laws or applicable collective bargaining agreement, will be billed at 140% of the corresponding straight time bill rate. Hours worked on Thanksgiving day, Christmas Day, New Year’s Day, Memorial Day, Labor Day, and Fourth of July will be billed at the Overtime/Holiday Rate. The R&E Board shall pay the Contractor’s prevailing rates for services not outlined in this maintenance agreement.
- c) Contractor shall submit an invoice weekly to the R&E Board.
- d) The R&E Board shall make payment to the Contractor within thirty (30) days of the date on which the invoice is received. If the invoice is incorrect, defective or otherwise improper, the R&E Board will notify the Contractor within ten (10) days of receiving the incorrect invoice. Upon receiving the corrected invoice, the R&E Board will make payment within thirty (30) days of the corrected invoice.
- e) Payment of interest and disputes regarding payment shall be governed by the provisions of Minnesota Statutes §471.425.
- f) The Contractor shall email invoices to Recycling & Energy Center Supply Chain Coordinator.

- g) Parties reserve the right to renegotiate Agreement pricing if there is any change in costs mandated by law, including but not limited to licensing fees, Federal Insurance Contribution Act (FICA), Federal Unemployment Tax Act (FUTA), State Unemployment Insurance (SUI), Worker's Compensation, regulatory costs associated with compliance with the Patient Protection and Affordable Care Act (PPACA), and/or Federal or State minimum wage laws. Upon request to re-negotiate, parties will attempt to re-negotiate and come to new terms within 60 days. Either party may terminate the contract if an agreement cannot be reached at the end of the 60-day renegotiation period.

3. Contractor Obligations

- a) The Contractor shall provide the following services:
 - i. Security services and scale house services for the Recycling & Energy Center (R&E Center) according to the standard operating procedures in Exhibit A attached hereto and incorporated herein.
 - ii. Services shall be provided outside of the hours of 6:00 AM – 2:00 PM, Monday through Friday, and on R&E recognized holidays. Services may also be provided outside of this schedule as requested and mutually agreed upon by both parties.
 - iii. Perform rounds of the Facility as outlined in Exhibit B.
- b) Contractor shall ensure all security personnel assigned to the R&E Center:
 - i. Have successfully completed pre-employment background investigation and drug screening prior to assignment.
 - ii. Are neatly uniformed and demonstrate positive human relations skills.
 - iii. Are able to effectively communicate verbally and in writing and will be able to effectively respond to emergencies.
 - iv. Will demonstrate reliable attendance and other identified job skills. If Contractor's employee fails to arrive at R&E Center as scheduled, Contractor will provide a replacement as soon as practicable.
- c) If R&E Board, at any time, is dissatisfied for any lawful and non-discriminatory reason with any Contractor's personnel assigned to the R&E Center, the Contractor, upon request by the R&E Board, will provide replacement personnel.

4. R&E Board Roles and Responsibilities

The R&E Board:

- a) Warrants there are no chemical or other hazards that require disclosure to Contractor or its employees that have not previously been disclosed to Contractor under the OSHA Chemical Hazard Communication Standard 1910.1200.
- b) Shall supply Contractor with copies of any applicable workplace policies with which security personnel must comply.

5. Property

All R&E Board software, equipment, and other property used by Contractor shall remain the exclusive property of the R&E Board. Likewise, any property furnished by Contractor for use by security personnel while assigned to the R&E Center shall remain the exclusive property of Contractor.

6. Audits, Reports, Records and Monitoring Procedures/Records Availability and Retention

Pursuant to Minn. Stat. section 16C.05 subd. 5, the Contractor will:

- (a) Maintain records which reflect all revenues, costs incurred and services provided in the performance of this Agreement.
- (b) Agree that the R&E Board, the State Auditor or legislative authority, or any of their duly authorized representatives at any time during normal business hours, and as often as they may deem reasonably necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, and accounting procedures and practices of the Vendor which are relevant to the Vendor's performance and determination of the agreed upon payment rate under this Agreement. The proposer agrees to maintain and make available these records for a period of six (6) years from the date of the termination of this Agreement.

7. Compliance with Law

- a) The Contactor shall comply with all applicable Federal and State Statutes and regulations as well as local ordinances now in effect or hereafter adopted.
- b) Failure to meet the requirements of Section a. above may be cause for cancellation of the Agreement effective the date of receipt of the Notice of Cancellation.

8. Data Practices

All data collected, created, received, maintained or disseminated for any purpose by the activities of the Contractor because of this agreement shall be governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (Act), as amended and Rules implementing the Act now in force or as amended. The contractor is subject to the requirements of the Act and Rules and must comply with those requirements as if it is a governmental entity subject to the Act and Rules. The remedies contained in section 13.08 of the Act shall apply to the Contractor.

9. Nondiscrimination

The performance of this Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, sexual orientation, disability, age, marital status, or status with regard to public assistance. The Contractor will take affirmative action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Contractor agrees to comply with the nondiscrimination provision set forth in Minnesota Statute 181.59. The Contractors failure to comply with section 181.59 may result in cancellation or termination of the agreement, and all money due or to become due under the contract may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

10. Indemnification and Hold Harmless

The Vendor does hereby agree that it will defend, indemnify, and hold harmless the R&E Board, its agents, officers and employees (the "Indemnitees") against any and all liability, loss, damages, costs

and expenses, including reasonable attorney fees, which the R&E Board may hereafter sustain, incur or be required to pay by reason of any negligent act or omission or intentional bad act of the Vendor, its agents, officers or employees during the performance of this Agreement.

11. Insurance

The Vendor does further agree that in order to protect itself, as well as the R&E Board, it will at all times during the term of the Agreement have and keep in force:

- i. Commercial General Liability/Professional Liability with contractual liability coverage in the amount of the R&E Board's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time. The R&E Board, its agents, officers, and employees shall be listed as an additional insured as it relates to these liabilities.
- ii. Automobile coverage in the amount of the R&E Board's tort liability limits set forth in Minnesota Statute 466.04 and as amended from time to time.
- iii. Workers' Compensation in statutory amount (if applicable).

Evidence of Insurance shall be provided before this Agreement is effective. The R&E Board shall be given thirty (30) days advance written notice of any changes in coverage.

In the event that claims or lawsuits shall arise jointly against the Vendor and the R&E Board, and the R&E Board elects to present its own defense, using its own counsel, in addition to or as opposed to legal representation available by the insurance carriers providing the coverage as stated above, then such legal expense shall be borne by the R&E Board.

12. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Vendor as the agent, representative, or employee of the R&E Board for any purpose or in any manner whatsoever. The Vendor is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

The Vendor represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Contractor or other persons, while engaged in the performance of any work or services required by the Contractor under this Agreement, shall have no contractual relationship with the R&E Board and shall not be considered employees of the R&E Board.

Neither the Vendor nor its employees will at any time be construed to be employees of the R&E Board. The Vendor is responsible for its employees' compensation, fringe benefits and all insurance coverage.

13. Covenant

R&E Board agrees that it will not employ as security personnel any security officer used by G4S in the performance of this Agreement, for at least 6 months after said officer has completed his or her G4S assignment with the R&E Board. In the event of R&E Board's breach of this provision, R&E

Board agrees to reimburse Contractor the sum of \$2,500 per person for G4S' recruitment, screening and training costs.

14. Subcontracting and Assignment

The Vendor shall not enter into any subcontract for performance of any services contemplated under this Agreement; nor novate or assign any interest in the agreement without the prior written approval of the R&E Board. Any assignment or novation may be made subject to such conditions and provisions as the R&E Board may impose.

If the Contractor subcontracts the obligations under this agreement, the contractor shall be responsible for the performance of all obligations by the subcontractors.

15. Contract Modifications

Any material alteration, modification or variation shall be reduced to writing as an amendment and signed by the parties. Any alteration, modification, or variation deemed not to be material by agreement of the R&E Board and the Contractor shall not require written approval.

16. Merger

It is understood and agreed that the entire agreement of the parties is contained herein and this Agreement supersedes all oral agreements and negotiations between the parties relating to this subject matter. All items referred to in this Agreement are incorporated or attached and deemed to be a part of the Agreement.

17. Possession of Firearms on R&E Board Premises

Unless specifically required by the terms of this contract, no provider of services pursuant to this contract, including but not limited to employees, agents or subcontractors of the Vendor shall carry or possess a firearm on R&E Board premises or while acting on behalf of R&E Board pursuant to the terms of this agreement. Violation of this provision shall be considered a substantial breach of the Agreement; and, in addition to any other remedy available to the R&E Board under law or equity. Violation of this provision is grounds for immediate suspension or termination of this contract.

18. Performance

All services performed by the Vendor pursuant to this Agreement shall be performed to the satisfaction of the R&E Board, as determined at the sole discretion of its authorized representative, and in accord with all applicable federal, state, and local laws, ordinances, rules and regulations. Services not performed in accordance with the terms and conditions of RFQ and contract shall be considered a material breach and shall be cause for be immediate termination by R&E Board. The Vendor shall not receive payment for work found by the R&E Board to be unsatisfactory, or performed in violation of federal, state, or local law, ordinance, rule or regulation. In the event of work found by the R&E Board to be unsatisfactory, the R&E Board shall provide Vendor with written notice describing the work found to be unsatisfactory in any reasonable respect and thirty (30) days to correct the unsatisfactory service performed. Vendor shall work with the R&E Board to correct the unsatisfactory service to R&E Board's mutual satisfaction within thirty (30) days of said notice. If

service is not corrected to the satisfaction of the R&E Board, it shall be considered a material breach and shall be cause for be immediate termination by R&E Board.

19. Force Majeure

Neither Party shall be in default by reason of any failure in performance of the contract if such failure arises out of causes beyond their reasonable control and without the fault or negligence of said Party including, unforeseeable acts of nature; terrorism or other acts of public enemy; war and epidemics or quarantine restrictions.

If either Party is delayed at any time in the progress of the work governed by the contract by force majeure, the delayed Party shall notify the other Party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in the notice. The notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this provision. The delayed Party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed Party from performing in accordance with this contract.

20. Termination

The R&E Board may immediately terminate this Agreement if any proceeding or other action is filed by or against the Contractor seeking reorganization, liquidation, dissolution, or insolvency of the Contractor under any law relating to bankruptcy, insolvency or relief of debtors. The Contractor shall notify the R&E Board upon the commencement of such proceedings or other action.

If the Contractor violates any material terms or conditions of this Agreement the R&E Board may, without prejudice to any right or remedy, give the Contractor, and its surety, if any, thirty (30) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If the Contractor fails to cure the deficiency within the thirty (30) day cure period, this Agreement shall terminate upon expiration of the cure period.

Either party may terminate this Agreement without cause upon giving at least thirty (30) calendar days written notice thereof to the other party. In such event, the Contractor shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

21. Policy Compliance

The Proposer shall, as a condition of being awarded this Agreement, to require each of its agents, officers and employees to abide by the R&E Board's policies prohibiting sexual harassment, firearms and smoking, as well as all other reasonable work rules, safety rules or policies regulating the conduct of persons on R&E Board property at all times while performing duties pursuant to this Agreement. The Proposer agrees and understands that a violation of any of these policies or rules constitutes a breach of the Agreement and sufficient grounds for immediate termination of the Agreement by the R&E Board.

22. Contractor Debarment, Suspension, and Responsibility

Federal Regulation 45 CFR 92.35 prohibits the R&E Board from purchasing goods or services with federal money from vendors who have been suspended or debarred by the federal government. Similarly, Minnesota Statutes, Section 16C.03, subdivision 2, provides the Commissioner of Administration with the authority to debar and suspend vendors who seek to contract with the R&E Board. Vendors may be suspended or debarred when it is determined through a duly authorized hearing process, that they have abused the public trust in a serious manner.

23. Notices

All notices under this Agreement, and any amendments to this Agreement, shall be in writing and shall be deemed given when delivered by certified mail, return receipt requested, postage prepaid, when delivered via personal service or when received if sent by overnight courier. All notices shall be directed to the Parties at the respective addresses set forth below. If the name and/or address of the representatives change, notice of such change shall be given to the other Party in accordance with the provisions of this section.

R&E Board Project Contacts:

James Redmond, R&E Board
Ramsey/Washington Recycling & Energy Board
100 Red Rock Road
Newport, MN 55055

Contractor Project Contact:

Mike Aegler
Universal Protection Service, LLC d/b/a
Allied Universal Security Services
40 South 7th Street
Suite 211
Minneapolis, MN 55402
Copy to: mike.aegler@aus.com

IN WITNESS WHEREOF the parties have executed this Agreement as of the dates below.

**Universal Protection Service, LLC d/b/a
Allied Universal Security Services**

By: _____

Date: _____

Title: _____

RAMSEY/WASHINGTON RECYCLING & ENERGY:

By: _____
David Brummel, Joint Leadership Team

Date: _____

By: _____
Michael Reed, Joint Leadership Team

Date: _____

Approved As To Form:

By: _____
County Attorney

Date: _____

Reviewed by: _____

Reviewed by: _____

Reviewed by: _____

Standard Operating Procedure

Scalehouse Operator Responsibilities

SECTION I. INTRODUCTION

The purpose of this procedure is to detail the Scalehouse Operator Procedures required to operate the scalehouse. This SOP will be used to verify if an employee is fully trained and ready to perform duties on their own. Tasks and scenarios included within this Standard Operating Procedure are required knowledge for all Scalehouse Operators.

Since this SOP covers many scenarios and tasks, it has been separated into three categories: General Daily Procedures, Processing Inbound Hauler Transactions, and Processing Outbound Hauler Transactions. There are seven (7) different types of Transactions at the R&E Center: Inbound Hauler, 3rd Party Inbound Hauler, Outbound Load, Self-Hauler, Outbound Vendor Load, Transfer Trailer Load, and Special Fee Only Load. This SOP is written for procedures and duties associated with an Inbound Hauler. Any differences in the handling of other types of transactions will be provided and detailed when necessary throughout this SOP.

SECTION II. DEFINITIONS

- ◆ **3rd Party Inbound Hauler** – Similar to an Inbound Hauler, however account is billed to “Bill Account” which is different than who is hauling the material.
- ◆ **CCTV** – Closed Captioning TV. On-site security camera system to be used during night shift at R&E Center.
- ◆ **Compuweigh** – Computer program used to track the billing by weight of material brought to the R&E Center.
- ◆ **Inbound Hauler** – Billing accounts are set up in advance, haulers bring in material from Ramsey and Washington County. Waste material on truck is processed and billed by weight.
- ◆ **LJP** – Transport Hauler from Mankato who use our trailers for transporting materials on the outbound side. There is a special procedure for processing this waste.
- ◆ **Outbound Load Hauler** – Any outbound load besides vendor or R&E Center loads. No charge through CompuWeigh. Material is charged through another accounting system based on reports from CompuWeigh.
- ◆ **Outbound Materials** – Materials departing R&E Center to be processed at another facility.
- ◆ **Outbound Vendor Load** – Outbound load made up of either, tires, ferrous or aluminum to an outside vendor. Uses outbound scale for weighing of materials.
- ◆ **Packer Truck** – Truck designed to collect and haul MSW.
- ◆ **Scalehouse Operator (Attendant)** – Attendant located in the scalehouse maintaining receipts

and processes within the scalehouse to allow all inbound and outbound trucks efficient entry and billing.

- ◆ **Self-Hauler** – Small business or resident, material billed by weight and material type. Typically does not have an account within the R&E Center Database
- ◆ **Special Fee Only** – Trucks or trailers containing special items requiring special fees for disposal. Billed by the special fees, no weight taken.
- ◆ **Transfer Trailer Load** – Trailers carrying outbound materials to other facilities. Charged on the outbound scale, upon return from R&E contracted Transfer Station. There is no charge on the inbound scale.
- ◆ **VM Ware** – Software used for waste material and transaction processes.
- ◆ **Weigh Station** – Software used for waste material and transaction processes.
- ◆ **White Goods** – Large electrical household appliances which require additional fees to be disposed of at the R&E Center.

SECTION III. REFERENCES

- ◆ Recycle & Energy Center Information and Technology Inventory Memo – August 2017
- ◆ SOP 200.1 – Citizen Drop Off Procedures
- ◆ SOP 200.2 – Driver Responsibility – General
- ◆ SOP 200.3 – Driver Responsibility – GRE
- ◆ SOP 200.4 – Driver Responsibility – Xcel Facility
- ◆ SOP 200.5 – Landfill Deliveries
- ◆ SOP 300.1 – Truck Tare Weights
- ◆ SOP 300.6 – Scalehouse Computer Processes
- ◆ SOP 900.1 – Visitor Policy

SECTION IV. PERSONNEL QUALIFICATIONS

- ◆ All Scalehouse Operators (Attendants) must be trained in all topics and tasks within this SOP.

SECTION V. EQUIPMENT AND SUPPLIES

- ◆ Attendants must operate the following software: Weigh Station and VMWare. Additionally, there are Forms that the Attendants will fill out every day, in Attachment A.

SECTION VI. GENERAL SCALEHOUSE PROCEDURES

- A. Visitor, Group Tour, or Delivery Access Procedure.
- B. If the visitor stops,
 - 1. give directions to visitor and radio in the type of vehicle, who, and what.
- C. If visitor passes scalehouse,
 - 1. radio in vehicle type and any other possible information you may know.
- D. Review SOP 900.1 – Visitor Policy for any other issues or questions.
- E. Contacts for Software Issues:
 - 1. Weigh Station or CompuWeigh – Kecia Thomason.
 - 2. TrailerTracking – Doug Germain.
 - 3. For any computer issues, contact the IT department, CyberAdvisors..
- F. Scale Malfunction Procedure
 During daily activities monitor the scale on the inbound and outbound side for malfunctions such as: indicator could be sticky, electronic board fried or cell bad, weather related (i.e. ice, snow, lightning), rocks or debris could be stuck. If there are issues:
- G. Call Doug Germain or On-Duty Supervisor.
- H. Send employee or other expert to remove build up or debris.
- I. Call Kennedy Scales, IT, or Paradigm if necessary.
- J. Scalehouse Maintenance
- K. Keep scalehouse orderly and clean
 - 1. Regularly dust, sweep, remove recyclables, dispose of trash.
- L. Monitor supplies, call Sandy if supplies are needed including:
 - 1. forms
 - 2. toilet paper
 - 3. paper
 - 4. pens
- M. As necessary, fill out Snow Plowing and Sanding Log (Attachment A) to keep track of the plow service.
- N. Alarm System
 - 1. At the R&E Center there are two alarm systems. If it is a bell, it is a dry alarm. If it is a horn, it is a wet alarm. If the wet alarm goes off from 4pm Saturday to 4 pm Sunday:
 - 2. If safe to do so, safely enter the building tipping floor and processing floor to check if automatic sprinklers are going off
 - 3. Call Fire Department
 - 4. Call Supervisor
 - 5. Other times, the processors and supervisors will know how to handle it.
- O. Security Camera CCTV system:
 The Avalon Program runs 30 different Security Cameras at the R&E Center. Daily these

cameras can be accessed and viewed. During weekend duties, switch the CCTV system by accessing the Avalon Program on the Scalehouse Computer by the following process:

1. Start up; log in and use password provided
2. On weekends the cameras should be pointed in the following direction.
 - a. Camera No. 14: Point at tipping floor
 - b. Camera No. 30: Point at tipping floor pile
 - c. Camera No. 15: Point at scalehouse
 - d. Camera No. 17: Point at south lot
 - e. Camera No. 18: Point at south side
 - f. Camera No. 19: Point along west side

SECTION VII. PROCESSING INBOUND HAULER TRANSACTIONS

- A. There are seven (7) different types of transactions at the R&E Center:
 1. Inbound Hauler;
 2. 3rd Party Inbound Hauler;
 3. Outbound Load;
 4. Self-Hauler;
 5. Outbound Vendor Load;
 6. Transfer Trailer Load; and
 7. Special Fee Only Load.
- B. This SOP is written for procedures and duties associated with a typical Inbound Hauler. All transactions follow the same procedure unless stated explicitly.
- C. Truck Operation at the Inbound Scale – Hauler Procedure
 1. Truck Operator pulls onto scale
 2. Attendant punches in truck number or RFID reader picks up the account associated with the Hauler. Information defaults into Weigh Station (however, Scalehouse attendant might need to change the county of origin).
 - a. Most trucks have a 4-digit number provided by Scalehouse Attendant.
 - b. Truck numbers are saved into the computer program (Weigh Station).
 - c. Once entered into a populated Weigh Station Form with corresponding account number, Truck number will be saved.
 - d. County of Origin may need to be verified.
 - e. For new trucks, enter account number and use the form until the truck number is assigned.
 - f. Doug Germain provides Truck Numbers to be assigned to accounts.
- D. If the hauler is a Self Hauler, information regarding the billing contact and material type will need to be collected and Hauler will be billed on the outbound scale during weighing out procedures. See Attachment B for *Citizen Tipping Fees* and *Citizen Dumping Instructions*.
- E. All Outbound Material Loads (Transfer Trailer Load, Outbound Load, Outbound Vendors) will not be billed during this process. As they travel through the Inbound Scale, their weights

will be recorded as necessary.

- F. Program or software populates information on truck and account.
- G. Attendant receives weight.
- H. Attendant reviews that the weight for reasonableness. Weigh should be relatively larger than the tare weight.
- I. If the numbers do not appear accurate, there may be something wrong with the scale, see Scale Malfunction Procedure.
- J. Place truck into “hold file” for outbound scale transaction.
- K. If white goods or mattresses are found the Tipping Floor operator will notify the Attendant by radio. The items are added onto the ticket.
- L. Look up a hauler truck number:
 1. F3, see Figure A.
 2. Truck list will pop up.
 3. Attendant can search by account number or vehicle.
- M. Look up a hauler account number:
 1. F4, see Figure A.
 2. Truck list will pop up.
 3. Attendant can search by account number or vehicle.
- N. Issue a new truck number:
 1. Stack of numbers ready as need provided by Doug Germain.
 2. Fill out *Numbers Issued Form* after new Truck Number has been assigned.
- O. Retrieve and complete a transaction from the hold file:
 1. F2, see Figure A.
 2. Attendant can also select “hold file” or enter truck number and the field will be populated.
- P. Delete a transaction:
 1. Transactions cannot be deleted.
 2. See “Record a voided transaction”.
- Q. Record a voided transaction:
 1. F9, see Figure A.
 2. Attendance can also select “hold file”, and will ask for reprint, give reason and a new ticket number is outputed.
- R. If the wrong truck was taken out of the hold file:
 1. Reenter new ticket, or void previous mistake.
- S. If the haulers tare weight is higher than their gross weight:
 1. Check if truck is on scale or verify number is being read correctly;
 2. Run off inbound until outbound is fixed or opposite.
 3. Attendant can use tare weight average in history or packer truck tares.

- T. Edit truck and account files in the computer:
1. Doug Germain is the only employee with access to edit account files.
 2. F3, see Figure A, save trucks and edit info.

SECTION VIII. PROCESSING AN OUTBOUND TRANSACTION

- A. Outbound Transaction – Inbound Haulers, Self-Haulers, 3rd Party Haulers
1. Open up hold File.
 2. Hand pad over to the Truck Operator for signature.
 3. Print ticket.
 4. All tickets are stored electronically.
- B. Outbound Transaction – For Outbound Transfer Trailer, Vendors, Outbound Materials
1. Enter truck number.
 2. “Trailer number” records weight.
 3. Attendant hit enter.
 4. Enter material from history form, enter destination.
 5. These trucks will not be updated
 - a. material and destination open
 6. Attendant hit enter and prints receipt out
 - a. 2 copies , one for driver, one to save on site
 - b. use second copy to enter info into Trailer Tracking System and *Trailer History Form, Outbound Load Count, and LJP Enterprises Tracking Form* (Attachment A).
- C. Outbound Material Transportation Tracking
- D. Any Outbound Hauler using R&E Trailers need to be tracked during their travel for breakdowns and any other issues. Phone Numbers of Red Wing and Wilmarth Power plants are located within the control room and can be used to call and to understand the Hauler’s progress.
1. Use the Trailer History Form, Attachment A.
 2. Outbound Trailers should be monitored for:
 3. length of travel time
 4. weight of outbound trailer
 5. breakdown
 6. If there is an issue with the trailer truck, Doug Germain should be notified.
- E. How to update trailer tare weights.
1. Review SOP 300.1 – Truck Tare Procedure.
 2. When the Hauler arrives at the Inbound, Weigh Station will notify Attendant if a new Tare-Weight is required. Tare weights must be verified every three (3) months.
 3. Hauler will proceed to tipping floor as usual.
 4. At the Outbound Scale, the Attendant will record a new weight.
- F. Determine the trailer material type and compactor it came out of:
1. Look at *Trailer History Form* and verify trailer is not directed to wrong place.

- G. If a trailer was written down as a different material than the lot it came from: Example – written down as residue but came from the RDF lot with a driver going to Red Wing.
1. Check truck if parked and open.
 2. Drop on west side and have employee check it out for material type.
 3. Use *MSW Delivered to NP Form* to track the amount of material processed.
- H. What to do if the trailer is overweight:
1. Take some material off and dump material at the west side.
 2. Note: scale limit 80,000 lbs.
- I. How to fill out the Wait Time Form.
1. Use *Wait Time Form*, Attachment A.
 2. Enter the Truck Number.
 3. Enter the time into the R&E Center, or the time of arrival at the inbound scale.
 4. Enter the time of departure from the outbound scale.
- J. Tare Weights for Transfer Trailers
1. Secondary Materials - Outbound 23 (alum, allied alt).
 2. Trailers.
- K. Trailer Weight History and Form – Outbound Haulers ONLY
1. The *Trailer History Form*, Attachment A, monitors the start times for outbound haulers
 - a. During shift, monitor start times and wait times.
 - b. Did the driver arrive? Depart? Determine if communication with Red Wing and Wilmarth Power plants is necessary.
 - c. Track the material type (RDF, metals, or plastics) being sent outbound.
 2. Plant yard tractors and drivers will call it into the scale.
 3. Trailers only carry outbound material.
 4. Must keep all hard copies of receipts, for a minimum of three (3) months.
 5. Pick up receipts with daily paperwork.
 6. Call in radios from processor.
 7. How to Update the Trailer Truck Tracking System:
 - a. Fill out *Trailer History Form* and *Outbound Load Count* as a trailer leaves the Outbound Scale or enters on the Inbound Scale.
 - b. Save the paper weight ticket from the outbound weight.
 - c. Click on Trailer Tracker program application – load program.
 - d. Enter weight.
 - e. Save entry.
 - f. Outbound Materials travel mainly to Red Wing for Xcel outbound material.
 8. Rotation Reduction Form – Filled out during the Midnight Shift
 - a. Use Rotation Reduction Form, Attachment A.
 - i. Trucks load did not go out.
 - ii. Why did outbound trucks not leave?
 - iii. Make notes of which Trailers need to be rotated.
 - b. Compare to Outbound Load Count Form.

- i. Verify paperwork.
- L. Outbound Load Count Form
 - 1. Use Outbound Load Count Form, Attachment A.
 - a. Trucks load did not go out?
 - 2. Why did outbound trucks not leave?
 - 3. Need to keep trucks rotated.
 - 4. Compare to Rotation Reduction Form.

SECTION IX. BILLING PROCEDURES

- A. How to fill out checks for cash accounts and make receipts. (Optional)
 - 1. Count cash at beginning of shift.
 - 2. Fill out *Scalehouse Cash Log*, Attachment A.
 - 3. Match Log to report in Compuweigh.
- B. How to Cash Checks/fill out checks (Optional)
 - 1. Write receipt out.

Figure A - WeighStation Main Page

WeighStation SQL Ver:5.0.2312 [©1992,2017] <Tran#367089> Paradigm Software LLC

File System Files Functions Closeout Help

10:39:17 AM Monday Dec 11, 2017

Truck # [] - Trailer # []

Transaction []

Payment []

Vehicle []

Route []

Origin []

Material []

Destination []

County []

Bill Acct []

Haul Acct []

Name -> []

Tag # -> []

Gross []

Tare []

Net []

Volume []

Piece Ct []

To Hold File - 0

Esc Clear Screen	F1 Help	F2 Hold List	F3 Truck List	F4 Account List	F5 Station Totals	F6 Special Fees	F7 Update Tare	F8 Split Window	F9 Void Trans.	F10 Menu Bar	F11 Change ID	F12 Reprint Ticket
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COMPUWEIGH - RWMNTRAN

Kecia M Thomason OF RWMN

File Backup

File

R:\DAILY*.*

FileName Ext	Size	Date	Copied
01TRAN.MDB	3842048	08/11/17	
0FTRAN.MDB	3842048	08/11/17	
OperTot.CSV	4048	08/11/17	
Split.DAT	9532	08/11/17	
TICKET.DAT	13963	08/11/17	
TRAN.DAT	15808	08/11/17	
Tran.mdb	3842048	08/11/17	
TRANLOG.DAT	441321	12/11/17	
TRANLOG.TXT	132385	12/11/17	
TRK.DAT	384	03/14/17	
Dir Size --> 12143585			

Use <PageUp> and <PageDown> keys to Change the Date.

Date of Files Dec 11, 2017 Mon

Run Backup

View Disk...

Cancel

Format Disk...

Delete Floppy

- Copy To
- Copy To A:\
 - Copy To B:\
 - Copy To Net
 - Do Not Copy

- SQL - Create TRM
- SQL - Truncate Databases
- SQL - Create TRA

OldDaily Path: R:\OLDDAILY

st | Truck | Account | Station | Special | Update | Split | Void | Menu Bar | Change | Reprint |

Attachment A - Forms
Snow Plowing and Sanding
Numbers Issued
Trailer History Form
Outbound Load Count Form
LJP Enterprises Tracking Form
Total MSW Delivered to NP
Wait Time
Rotation Reduction Form



TRAILER HISTORY FORM

DATE: _____

Trct #	Trl #	Material Type	Time Called In	Check Wt.	Scale Gross (Outbound)	Time Out	R/W	WIL	GRE	Pinebend LF	Burnsville LF	Ferrous

OUTBOUND LOAD COUNT

REDWING					
Truck #					Time
WILMARTH					
Truck #					Time
GRE					
Truck #					Time
LANDFILL					
Truck #					Time

REDWING					
Truck #					Time
WILMARTH					
Truck #					Time
GRE					
Truck #					Time
LANDFILL					
Truck #					Time

REDWING					
Truck #					Time
WILMARTH					
Truck #					Time
GRE					
Truck #					Time
LANDFILL					
Truck #					Time

LJP ENTERPRISES TRACKING FORM

DATE	TIME	MSW IN	& TLR #	EMPTY IN	RDF OUT	RESIDUE OUT	REQUESTED EMPTY	EMPTY OUT NO RDF	EMPTY OUT FULL BARN



DATE: _____

Total MSW Delivered to NP

Loads	Newport MSW	Tons
_____	Ramsey/Wash Cty Waste	_____
_____	Dakota Cty Waste	_____
_____	Other Cty Waste	_____
_____	MWPC Waste	_____
_____	Sub-Totals	_____
_____	Advanced Transfer Waste	_____
_____	SKB Malcolm Transfer	_____
_____	SKB Blaine Transfer	_____
_____	Walters Blaine Transfer	_____
_____	Republic Blaine Transfer	_____
_____	Dem Con Blaine Transfer	_____
_____	TOTAL into Newport	_____

Outbound Material

_____	Red Wing	_____
_____	Wilmarth by LJP	_____
_____	Wilmarth	_____
_____	GRE / Elk River	_____
_____	Total RDF	_____
_____	Aluminum	_____
_____	Dirty Ferrous	_____
_____	Clean Ferrous	_____
_____	Ferrous Fluff	_____
_____	Residue- Burnsville	_____
_____	Residue- Pinebend	_____
_____	BWR – Burnsville	_____
_____	BWR- Pinebend	_____

RECAP

Processed (RDF+NonF+Residue+Ferrous): _____

Yield (RDF/Processed Waste): _____

Contracted Waste (Processed + BWR): _____

Comments: _____

Scalehouse Attendant: _____

cc: Supervisors/Traffic Specialist/Plant Manager



ROTATION REDUCTION SHEET

DATE: _____

REDWING DAY SHIFT

LOADS CUT _____

REASON _____

REDWING NIGHT SHIFT

LOADS CUT _____

REASON _____

WILMARTH DAY SHIFT

LOADS CUT _____

REASON _____

WILMARTH NIGHT SHIFT

LOADS CUT _____

REASON _____

Attachment B
Citizen Tipping Fees
Citizen Dumping Instructions



Ramsey/Washington RRF
 100 Red Rock Road Newport, MN 55055 651-768-6671
CITIZEN TIPPING FEES

Waste received at the Ramsey/Washington Resource Recovery Facility is charged a fee based upon the following scale:

Ramsey and Washington County residents will be charged \$77.00 per ton plus a Solid Waste Management Tax (17%) and CEC (County Environmental Charge 35% – Washington County only).

Washington County residents - minimum tipping fee \$30.40 (tax and CEC included)

Ramsey County residents - minimum tipping fee \$23.40 (includes all taxes)

All other county residents will be charged at a rate of \$77.00 per ton plus the 17% tax.

Other county residents – minimum tipping fee \$23.40 (tax included)

The following items are extra charges:

Furniture – (sofa, love seat, sofa chair, sectional is per piece) \$20.00 each + tax and CEC

Mattress \$20.00 each + tax and CEC

Box Spring \$20.00 each + tax and CEC

Appliances – Non Freon (washer, dryer, heater) \$16.00 each

Appliances – Freon (freezer, refrigerator, a/c) \$20.00 each

Electronics \$30.00 each

<u>Tires:</u>	Car – no rim	\$8.00	Truck – no rim	\$8.00
	Car – with rim	\$10.00	Truck – with rim	\$10.00

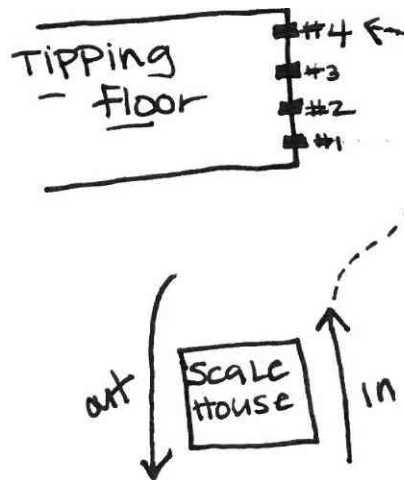
Citizen Tipping Hours:
 Monday – Friday 5:30 am – 8:00 pm
 Saturday – 6:00 am – 4:00 pm
 Sunday – closed

UN-ACCEPTABLE WASTE INCLUDES:

All demolition and construction debris, sheetrock, roofing shingles, siding, insulation, concrete, asphalt, fencing and loads containing large quantities of metal.

Citizens Dumping Instruction's

- ◆ After given the ok to proceed by the Scale house Attendant, go straight until you are at the west end of the building. (Yield to all trucks)
- ◆ Look for door #4 then back up only to the Entrance of the door to unload vehicle, not onto the Tipping floor.
- ◆ Be aware of Loader's, Haulers, and other vehicles.
- ◆ Do not walk onto the tipping floor.
- ◆ No Smoking or use of cell phones while unloading vehicles.
- ◆ Any questions, ask the Traffic director if available, located by door #3.
- ◆ Once finished unloading, Proceed back to the Scale house at a safe speed and obey all traffic.





Date: 12/14/22

To: All Scale House Employees

Subject: Rounds in Facility

Hello All,

When there are no R&E employees on site and the facility is closed for all inbound haulers, you are required to perform rounds for fires, water leaks and miscellaneous alarms. The rounds will be performed as follows:

Begin at the tipping floor and proceed to the valve room in the maintenance shop, then proceed through the main process floor and walk through the plant to the load out area which will end your round. Please log your rounds in the logbook in the scale house.

Days & Times of rounds:

Friday's after 5:00 pm every 3 hours until plant personnel are on site Saturday

Saturday's after 4:00 pm every 3 hours until plant personnel are on site Sunday

Any Holiday's after all R & E employees have exited the site every 3 hours until plant personnel arrive the following day.

Thank you!!

Doug Germain



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

**Waste Delivery Agreement
Between Ramsey/Washington Recycling & Energy Board
and the City of Saint Paul, through its Department of Parks and Recreation**

THIS WASTE DELIVERY AGREEMENT (“Agreement”) is made and entered into by and between the Ramsey/Washington Recycling & Energy Board, hereinafter referred to as “R&E,” and the City of Saint Paul, through its Department of Parks and Recreation, with its principal place of business at 300 City Hall, 15 Kellogg Boulevard, West, Saint Paul, Minnesota 55102, hereinafter referred to as the “Hauler,” each a “Party” and together the “Parties.”

RECITALS:

WHEREAS, the State of Minnesota, by the enactment of the Minnesota Waste Management Act, Minn. Stat. Chapter 115A and Minn. Stat. Chapter 473, has declared that it is the State’s policy to improve mixed municipal solid waste (“MSW”) management through the separation and recovery of energy and materials from MSW and through the reduction of disposal of such waste;

WHEREAS, R&E desires to promote the State’s MSW policy, in part, through recovery of resources from MSW at the Ramsey/Washington Recycling & Energy Center (the “R&E Center”), located at 100 Red Rock Road, Newport, Minnesota;

WHEREAS, Ramsey and Washington Counties have implemented Waste Designation Ordinances as provided for in Minnesota law (Minn. Stat. 115A.80);

WHEREAS, Acceptable Waste under contract for delivery to the R&E Center is exempt from the Waste Designation Ordinances;

WHEREAS, R&E prefers to negotiate voluntary waste delivery agreements with waste haulers (“Contract Haulers”) that allow waste haulers under contract with R&E to use transfer stations under contract with R&E at no additional charge, and to utilize R&E’s Credit Policy, which provides credit to Contracted Haulers to minimize cash transactions;

WHEREAS, Ramsey and Washington Counties are implementing organic food scrap collection programs under which heavy-duty compostable plastic bags are used by residents to source separate organic food scraps and are then placed in the same collection cart as MSW for collection by waste haulers and delivery to the R&E Center or transfer stations under contract with R&E.

NOW THEREFORE, in consideration of the mutual promises and conditions contained herein, the Parties hereby agree as follows:

1. Term

The term of the Agreement shall be effective from January 1, 2023 through December 31, 2027.

2. Definitions

- a. "Acceptable Waste" means Solid Waste generated in the Counties that is acceptable at the R&E Center, which is not otherwise Unacceptable Waste, as more specifically defined in the Solid Waste Ordinance of the Counties. It includes any type of Solid Waste that has been designated by County ordinance and which is not otherwise Unacceptable Waste.
- b. "Back-up Facility" means the landfill(s) or other facility(ies) that R&E has contracted for disposal of waste from the R&E Center and may be used by the Hauler in the event that Acceptable Waste is being diverted from the R&E Center.
- c. "Food Scrap Bag" or "FSB" means the heavy-duty compostable bag distributed to Program participants by R&E or the Counties and used by Program participants for source separation of organic food scraps that are then secured by the participant and placed in the same collection cart as bags containing MSW.
- d. "Food Scrap Bag Programs" means the FSB collection programs undertaken by the Counties.
- e. "Hauler Handbook" means the document prepared by R&E that describes the policies and procedures of the R&E Center. The Hauler Handbook can be found at www.recyclingandenergy.org.
- f. "Hazardous Waste" has the meaning given to it in Minnesota Statutes, Section 115B.03, Subdivision 9, as it may be amended from time to time.
- g. "Mixed Municipal Solid Waste" or "MSW" means garbage, refuse, and other Solid Waste from residential, commercial, industrial, and community activities that the generator of the waste aggregates for collection. It does not include auto hulks, street sweepings, ash, construction debris, mining waste, sludges, tree and agricultural wastes, tires, lead acid batteries, used oil, and other materials collected, processed, and disposed of as separate waste streams. For the purpose of defining items excluded as agricultural waste under this definition, please see "APPENDIX A – UNACCEPTABLE WASTE AT THE R&E CENTER" as included in the Solid Waste Hauler Handbook.
- h. "R&E Center" means the Ramsey/Washington Recycling & Energy Center, a waste processing facility owned and operated by the Ramsey/Washington Recycling & Energy Board, located at 100 Red Rock Road, Newport Minnesota.
- i. "Recyclable Materials" means materials that are separated from MSW for the purpose of recycling or composting, including paper, glass, plastics, metals, automobile oil, batteries, source-separated compostable materials, and sole source food waste streams that are managed through biodegradative processes. Refuse-derived fuel or other material that is destroyed by incineration is not a recyclable material.
- j. "Solid Waste" has the meaning provided in the Solid Waste Ordinances of the Counties.

- k. "Solid Waste Ordinances" means the Ordinances adopted by the Ramsey and Washington County Boards that regulate solid waste management, respectively, and that contain designation requirements for the delivery of Acceptable Waste to the R&E Center.
- l. "Specified Transfer Station" means a facility contracted to receive Acceptable Waste on behalf of the R&E Center. The Specified Transfer Station is a facility that has entered into an agreement with the R&E Board to accept delivery of Acceptable Waste from any Contract Hauler, and prepares that waste for transfer to the R&E Center.
- m. "Unacceptable Waste" means waste that is not acceptable at the R&E Center as further defined in the Solid Waste Ordinances of the Counties. The R&E Center shall have available a current list of Unacceptable Waste.

3. Scope of Services

- a. **Delivery of Acceptable Waste.** The Hauler shall deliver all Acceptable Waste generated in Ramsey and Washington Counties (the "Counties") that it collects directly to the R&E Center, or to a Specified Transfer Station under contract with R&E to receive Acceptable Waste. When delivering Acceptable Waste to the R&E Center, the Hauler agrees to comply with R&E Center policies and practices with respect to safe vehicle operation as detailed in the R&E Center Hauler Handbook. When delivering Acceptable Waste to a Specified Transfer Station, the Hauler agrees to comply with that facility's site safety and operations procedures. Acceptable Waste delivered pursuant to this Agreement shall be exempt from the Waste Designation Ordinances adopted by the Counties.
- b. **Food Scrap Bags.** When the Hauler delivers Acceptable Waste to the R&E Center or a Specified Transfer Station, Hauler shall disclose, when asked, what municipalities the Hauler collected the Acceptable Waste from in order for the R&E Center or Specified Transfer Station to determine if there are potentially FSBs in the load so that the R&E Center or Specified Transfer Station (if capable) can segregate the FSBs from the MSW for separate management. In response to the disclosure request, the Hauler shall accurately disclose what municipalities it collected the Acceptable Waste from. Hauler, if asked, shall also disclose if the Acceptable Waste was collected from a commercial route with one or more multi-family housing units as part of the collection route. If the Acceptable Waste was collected within the City of St. Paul, Hauler, if asked, shall disclose the specific area of St. Paul from which the Acceptable Waste was collected. Hauler agrees to use best management practices to avoid damage (broken open or otherwise opened such that some or all of the food scrap contents of the bag are no longer contained in the bag) to the integrity of any FSBs within Hauler's collection loads, including avoiding use of "auger" trucks. Under no circumstances shall FSBs be delivered by Hauler to a facility other than the R&E Center or Specified Transfer Station, unless so directed by R&E.
- c. **Waste Origin.** The Parties agree that the purpose of this Agreement is to assure the delivery to the R&E Center all Acceptable Waste, including FSBs, generated in the Counties and collected by the Hauler. The Parties acknowledge that Hauler may have some collection routes that deviate across a County border that collect small amounts of MSW from outside the Counties that would otherwise be Acceptable Waste. Such waste shall be referred to as "Incidental Waste." Hauler may deliver Incidental Waste to the R&E Center or a Specified Transfer Station if such Incidental Waste is no more than Ten Percent (10%) of a truckload, and Hauler has provided information to R&E documenting the routes collecting Incidental Waste, and has received prior written approval from R&E to deliver such Incidental Waste to the R&E Center or Specified Transfer Station. The information provided by Hauler shall describe the municipalities and days involved in the affected routes and estimated amounts of

MSW involved. Hauler agrees to update such information on an annual basis. R&E will review such annual updates and either approve or deny the proposed updated Incidental Waste.

- d. **Back-up Facility.** If the R&E Center and Specified Transfer Stations cannot receive Acceptable Waste, R&E will provide access to a Back-up Facility within Forty (40) miles from the R&E Center or any Specified Transfer Station and communicate with Hauler regarding the Back-up Facility to be used. Fees to use a Back-up Facility shall be the same as charged by R&E, and R&E will invoice the Hauler for those fees.
- e. **Acquisition or Merger.** In addition to the Acceptable Waste the Hauler has agreed to deliver as described in part 5.a., above, the Hauler further agrees to deliver to the R&E Center all Acceptable Waste currently required by contract or Solid Waste Ordinances to be delivered to the R&E Center by any and all entities which the Hauler acquires or with which the Hauler merges or otherwise becomes affiliated during the term of this Agreement.
- f. **Unacceptable Waste.** The Hauler agrees to use its best efforts to avoid delivering any Unacceptable Waste to the R&E Center and Specified Transfer Stations and shall not knowingly mix any Unacceptable Waste with Acceptable Waste.
- g. **Rejection of Deliveries.** The Hauler may be denied entrance to the R&E Center, or to a Specified Transfer Station, if R&E has a reasonable basis to believe that a vehicle contains Hazardous Waste or a significant amount of Unacceptable Waste.
- h. **Regulatory Compliance.** The Hauler shall at all times operate its business in compliance with all applicable federal, state, and local laws, rules, regulations, ordinances and licenses. This includes but is not limited to collecting, transporting, delivering and disposing of waste; and billing, collecting, reporting and remitting the County Environmental Charge.

4. Responsibility for Unacceptable Waste

- a. The R&E Center and the Specified Transfer Stations have the right to reject entire or partial loads of Unacceptable Waste. The Hauler shall be provided with documentation specifying the rejection and reasons therefore.
- b. If the R&E Center or a Specified Transfer Station has reason to believe that Unacceptable Waste was delivered by the Hauler, and the Hauler has left the tipping floor, the Hauler agrees to either return and remove such Unacceptable Waste and dispose of it in accordance with all applicable federal, state and local laws or pay R&E the costs associated with removal and disposal of Unacceptable Waste as described in Section 4.c, below.
- c. In the alternative, the R&E Center or Specified Transfer Station may manage the Unacceptable Waste by transferring it to an approved management facility. In such event, all costs of reloading, removal and disposal of Unacceptable Waste shall be borne by the Hauler.

5. Hauler Requirements

- a. Hauler is licensed, and shall remain licensed, to operate in Ramsey and/or Washington County as a solid waste hauler.

6. Payment

- a. **Payment of Fees:** The Hauler agrees to pay all fees established under this Agreement. R&E shall invoice the Hauler on a monthly basis, and the Hauler shall pay the charges owed on that invoice pursuant to the credit policy established by R&E. The Hauler agrees to abide by R&E's credit policy at all times. The credit policy may be revised from time to time and can be found at www.recyclingandenergy.org. Hauler will be provided advance notice of any revisions to the credit policy. The credit policy is not available to haulers without a Waste Delivery Agreement.
- b. **Tipping Fee:** The Hauler shall pay the per ton tipping fee adopted by the R&E Board for each ton of Acceptable Waste and Incidental Waste delivered to the R&E Center and/or Specified Transfer Stations. Hauler also agrees to pay the tipping fee for each ton of Acceptable Waste that Hauler collects in the Counties that is not delivered to the R&E Center or a Specified Transfer Station, as determined by R&E.
- c. **Special Waste Fees.** R&E, in its sole discretion, may apply charges for certain special wastes or services as listed in the Hauler Handbook and delivered by the Hauler. R&E will provide at least 90-days advance written notice to the Hauler of any changes to the special waste fees.
- d. **Adjustment of Tipping Fee:** R&E, in its sole discretion, shall establish the tipping fee for Acceptable Waste delivered to the R&E Center and Specified Transfer Stations. The tipping fee for the R&E Center and Specified Transfer Stations shall be the same, and there shall be no additional charge to the Hauler for use of Specified Transfer Stations. The R&E Board shall establish the tipping fee on an annual basis. In the event of a sudden or unplanned increase in R&E Center operational costs, R&E may make additional adjustments to the tipping fee. R&E will provide at least 90-days ' advance written notice to the Hauler of any changes in the tipping fee.

7. Audits, Reports, Records and Monitoring Procedures

The Hauler shall:

- a. Maintain records which reflect all revenues, costs incurred, and services provided in the performance of the Agreement.
- b. Agree that R&E, the State Auditor or legislative authority, or any of their duly authorized representatives at any time during normal business hours, and as often as they may deem reasonable and necessary for a minimum of six years from the end of this contract pursuant to Minn. Stat. § 16C.05, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, and accounting procedures and practices of the Hauler which are relevant to the Hauler's performance and determination of the agreed upon discounted payment rate under this Agreement.

8. Data Privacy

All data collected, created, received, maintained or disseminated by the Hauler in performing this Agreement shall be governed by the Minnesota Government Data Practices Act (Act), Minn. Stat. Ch. 13, as amended and Rules implementing the Act. When performing under this Agreement, the Hauler is subject to the requirements of the Act and Rules and must comply as if it is a governmental entity subject to the Act and Rules. The remedies contained in section 13.08 of the Act shall apply to the Hauler under Subd. 11(a).

9. Nondiscrimination

Pursuant to Minn. Stat. Ch. 364 and Minn. Stat. § 181.59 and general R&E policy, every contract shall contain provisions by which the Hauler agrees to freedom from discrimination in employment.

10. Indemnification

- a. **Liability.** R&E and the Hauler agree that each party will be responsible for its own acts and or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts and or omissions of any others and the results thereof. The Hauler's liability shall be governed by provisions of Minnesota Statutes 466 and other applicable law.
- b. **No Waiver of Immunities.** Nothing in this Agreement shall constitute a waiver or diminution by R&E or the Hauler of any immunities or statutory limitation on liability as set forth in Minn. Stat. Chapter 466 or as otherwise provided by law.

11. Insurance Requirements

The Hauler is self-insured under Minn. Stat. 466.04 for all insurance needs and will provide R&E with a letter of self-insurance to satisfy any certificate of insurance requirements upon request by R&E.

12. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Hauler as the agent, representative, or employee of R&E for any purpose or in any manner whatsoever. The Hauler is to be and shall remain an independent Hauler with respect to all services performed under this Agreement.

The Hauler represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Hauler or other persons, while engaged in the performance of any work or services required by the Hauler under this Agreement, shall have no contractual relationship with R&E and shall not be considered employees of R&E.

Neither the Hauler nor its employees will at any time be construed to be employees of R&E. The Hauler is responsible for its employees' compensation, fringe benefits and all insurance coverage.

13. Subcontracting and Assignment

The Hauler shall not enter into any subcontract for performance of any services contemplated under this Agreement; nor novate or assign any interest in the Agreement without the prior written approval of R&E, which shall not be unreasonably withheld. Any assignment or novation may be made subject to such conditions and provisions as R&E may impose. If the Hauler subcontracts the obligations under this Agreement, the Hauler shall be responsible for the performance of all obligations by the subcontractors.

14. Modifications

Any material alteration, modification or variation of this Agreement shall be reduced to writing as an amendment and signed by the Parties. Any alteration, modification, or variation deemed not to be material by agreement of R&E and the Hauler shall not require written approval.

15. Merger

It is understood and agreed that the entire agreement of the Parties is contained herein, and this Agreement supersedes all oral agreements and negotiations between the Parties relating to this subject matter. All items referred to in this Agreement are incorporated or attached and deemed to be a part of the Agreement.

16. Repeated Failure to Deliver Acceptable Waste

Repeated failure by Hauler to deliver all Acceptable Waste collected by Hauler in the Counties to the R&E Center or a Specified Transfer Station in accordance with the terms and conditions of this Agreement shall be considered a material breach and shall be cause for early termination at the discretion of R&E, or revocation of Hauler's ability to use the R&E Board's credit policy. R&E shall provide Hauler with written notice describing the material breach and Twenty-One (21) days to correct the material breach. Hauler shall work with the R&E Board to correct the material breach to R&E's satisfaction within 21 days of said notice. If not corrected to the satisfaction of R&E, it shall be cause for immediate termination by R&E or revocation of Hauler's ability to use the R&E credit policy, at the sole discretion of R&E.

17. Termination

- a. R&E may immediately terminate this Agreement if any proceeding or other action is filed by or against the Hauler seeking reorganization, liquidation, dissolution, or insolvency of the Hauler under any law relating to bankruptcy, insolvency or relief of debtors. The Hauler shall immediately notify R&E in writing upon the commencement of such proceedings or other action.
- b. If either party violates any material terms or conditions of this Agreement the other party may, without prejudice to any right or remedy, give the offending party, and its surety, if any, twenty-one (21) calendar days written notice of its intent to terminate this Agreement, specifying the asserted breach. If the offending party fails to cure the deficiency within the 21-day cure period, this Agreement shall terminate upon expiration of the cure.
- c. R&E may terminate this Agreement without cause upon giving at least sixty (60) calendar days written notice thereof to the Hauler. In such event, R&E shall be entitled to receive compensation for services provided in compliance with the provisions of this Agreement, up to and including the effective date of termination.

18. Compliance with Law

The Hauler shall abide by all federal, state, or local laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted insofar as they relate to the Hauler's performance of the provisions of this Agreement. Failure to meet the requirements of this section may be cause for cancellation of the Agreement effective the date of receipt of the notice of cancellation. The Hauler, at its own expense, shall secure and pay for all permits, fees, charges, duties, licenses, certifications, inspections, and other requirements and approvals as necessary for Hauler's execution and completion of this Agreement.

19. Firearms prohibited

Unless specifically required by the terms of this Agreement, no provider of services pursuant to this Agreement, including but not limited to employees, agents, or subcontractors of the Hauler shall carry or possess a firearm on R&E premises or while acting on behalf of R&E pursuant to the terms of this Agreement. Violation of this provision shall be considered a substantial breach of the Agreement; and, in addition to any other remedy available to R&E under law or equity. Violation of this provision is ground for immediate suspension or termination of this Agreement.

20. Successors

The Hauler binds itself, its partners, successors, assigns and legal representatives to R&E in respect to all covenants, contracts and obligations contained in this Agreement.

21. Non-Conforming Services

The acceptance by a Party of any non-conforming goods/services under the terms of this Agreement, or the foregoing by the accepting Party of any of the rights or remedies arising under the terms of this Agreement, shall not constitute a waiver of the accepting Party's right to conforming services or any rights and/or remedies in respect to any subsequent breach or default of the terms of this Agreement. The rights and remedies of R&E provided or referred to under the terms of this Agreement are cumulative and not mutually exclusive.

22. Force Majeure

Neither party shall be liable for any loss or damage incurred by the other party as a result of events outside the control of the party ("Force Majeure Events") including, but not limited to: war, storms, flooding, fires, strikes, legal acts of public authorities, or emergency acts of government that prevent performance of this Agreement. The COVID-19 pandemic shall not be considered a Force Majeure Event unless government emergency orders related to the COVID-19 pandemic prevent performance under this Agreement.

23. Interpretation of Agreement; Venue

- a. The Agreement shall be interpreted and construed according to the laws of the State of Minnesota. All litigation regarding this Agreement shall be venued in the appropriate State or Federal District Court in Ramsey County, Minnesota.
- b. The provisions of this Agreement are severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement.

24. Electronic Signatures

- a. **Counterparts.** The parties may sign this Agreement in counterparts, each of which constitutes an original, but all of which together constitute one instrument.
- b. **Electronic Signatures.** The parties agree that the electronic signature of a party to this Agreement shall be valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any

attachments or exhibits to this Agreement) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party’s failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the dates below.

HAULER

By: _____

Director, Parks and Recreation

Date: _____

By: _____

Director, Financial Services

Date: _____

Approved as to Form:

By: _____

Assistant City Attorney

Date: _____

**RAMSEY/WASHINGTON RECYCLING
& ENERGY BOARD:**

By: _____

Michael Reed, Joint Leadership Team

Date: _____

By: _____

David Brummel, Joint Leadership Team

Date: _____

Approved As To Form:

By: _____

Assistant County Attorney

Date: _____



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

R&E BOARD MEETING DATE:	March 1, 2023			AGENDA ITEM:	V.a			
SUBJECT:	Alternate to the Partnership Board							
TYPE OF ITEM:	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input checked="" type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:	Joint Leadership Team (JLT)							

R&E BOARD ACTION REQUESTED:

Rescind action taken on January 25, 2023, regarding the Washington County appointment of the alternate to the Partnership on Waste and Energy (Partnership) Board. Ratify a new appointment by the chair to serve as the alternate representative for Washington County.

EXECUTIVE SUMMARY:

R&E Resolution R&EB-2017-45 authorizes the R&E Board chair to appoint a commissioner each from Ramsey County and Washington County to serve two-year terms (or to fill the remaining one-year term appointments previously made) as alternate representatives for the R&E chair and vice chair on the Partnership Governing Board.

Due to a scheduling conflict that has been resolved, the R&E Board chair wishes to rescind the January 25, 2023, appointment of the Washington County alternate to the PWE Board and appoint a new alternate subject to board ratification.

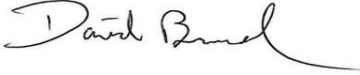

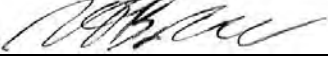

ATTACHMENTS:

1. Resolution R&EB-2023-03

FINANCIAL IMPLICATIONS:

None.

SUBJECT: *Alternate to the Partnership Board*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	2/23/23
	2/23/23
	2/23/23
RAMSEY COUNTY ATTORNEY	2/22/23
	2/22/23
WASHINGTON COUNTY ATTORNEY	2/23/23
	2/23/23



RESOLUTION R&EB-2023-03

WHEREAS, The Ramsey/Washington Recycling and Energy Board (the "R&E Board") is governed by the Amended and Restated Joint Powers Agreement by and between Ramsey County and Washington County dated August 2, 2022, ("R&E Joint Powers Agreement"); and

WHEREAS, The Partnership on Waste and Energy Board (the "PWE Board") is governed by the Amended and Restated Joint Powers Agreement by and between the R&E Board and Hennepin County dated December 1, 2017, ("PWE Joint Powers Agreement"); and

WHEREAS, The Amended and Restated Joint Powers Agreement (JPA) for the Partnership on Waste and Energy states the Governing Board shall include the chair and vice chair of the Ramsey/Washington Recycling & Energy (R&E) Board and a commissioner appointed by Hennepin County, resulting in a representative commissioner from each of Ramsey, Washington and Hennepin Counties. Partnership board members serve two-year terms; and

WHEREAS, Since leadership of the Partnership for chair and vice chair rotates annually by county name in alphabetical order, the 2023 Partnership chair is the Hennepin County commissioner. The Partnership vice chair is the Ramsey County commissioner elected to chair or vice chair of the R&E Board; and

WHEREAS, R&E Resolution R&EB-2017-45 authorizes the R&E Board chair to appoint a commissioner each from Ramsey County and Washington County to serve two-year terms (or to fill the remaining one-year term appointments previously made) as alternate representatives for the R&E chair and vice chair on the Partnership Governing Board; and

WHEREAS, The R&E Board Chair made an appointment of an alternate to the PWE Board for Washington County on January 25, 2023, that was ratified by the R&E Board that day; and

WHEREAS, The R&E Board Chair wishes to rescind the January 25, 2023 appointment of the Washington County alternate to the PWE Board; and

WHEREAS, The R&E Board Chair wishes to appoint a new alternate to the PWE Board for Washington County on March 1, 2023, subject to R&E Board ratification. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the recission of the Washington County PWE Board alternate ratified on January 25, 2023. BE IT FURTHER

RESOLVED, The R&E Board Chair has appointed a new Washington County PWE Board alternate on March 1, 2023 subject to R&E Board ratification.

Fran Miron, Board Chair
March 1, 2023

Attest
March 1, 2023
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**RAMSEY/WASHINGTON
RECYCLING & ENERGY**
CONNECTING VALUE TO WASTE

R&E BOARD MEETING DATE:	March 1, 2023			AGENDA ITEM:	VI.a			
SUBJECT:	Organic Material Supply Agreement Recommendation							
TYPE OF ITEM:	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input checked="" type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
SUBMITTED BY:	Facility & Finance Committee							

R&E BOARD ACTION REQUESTED:

1. Approve the letter of intent between the Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC joint venture and the R&E Board.
2. Delegate authority to the R&E Board Chair to sign the final organic material supply agreement that will be developed in form to the key terms in the approved letter of intent.

EXECUTIVE SUMMARY:

Background

Ramsey and Washington counties have been evaluating next-generation technologies to manage waste for nearly two decades. The R&E Board has continued this effort to achieve environmental, economic and community benefits for the East Metro. This aligns with the counties’ commitment to protect and ensure the public health, safety, welfare and environment of residents and businesses through sound management of solid and hazardous waste generated in the counties. Pursuit of new solid waste management technologies to capture more value from waste is also a key strategy for the counties to meet the state’s 75% recycling goal by 2030.

Both Ramsey and Washington counties have a 20-year solid waste management plan, which is approved by the commissioner of the Minnesota Pollution Control Agency. Both counties’ plans state the policy goal of maintaining and improving an integrated system of solid waste management that supports Minnesota’s hierarchy of solid waste management. The plans’ strategies emphasize waste reduction, reuse, recycling and composting before the remaining solid waste is managed through resource recovery. The plans’ policies also affirm the processing of waste for recovering energy, recyclables and other beneficially usable materials as the preferred method to manage solid waste that is not reduced, reused or recycled.

The R&E vision, “vibrant, healthy communities without waste,” is being pursued through a variety of efforts. R&E and each county’s programs complement each other in working upstream, preventing waste and increasing source-separation of recyclables. Plans are also near completion for the Recycling & Energy Center (R&E Center) to be redesigned and repurposed to recover more value from waste. Coinciding with both upstream and downstream efforts, R&E has worked to pursue alternative uses of high-value materials in the waste stream. R&E’s Scope for Resource Management, a 10-year plan established in 2015 and re-affirmed by the board in 2019, outlines the strategic direction for solid waste

SUBJECT: *Organic Materials Supply Agreement Recommendation*

management, includes management of byproducts from the R&E Center via new end-use market technologies such as anaerobic digestion (AD).

The action before the Facility & Finance Committee at its February 9 meeting, to recommend approval of a letter of intent with an AD vendor, will move R&E to a new phase of responsible solid waste management in the East Metro. Development of AD will benefit residents and businesses by:

- Reducing the amount of waste from the two counties that is landfilled or combusted for electricity
- Moving valuable organic waste materials up the solid waste hierarchy, pivoting organics from “waste” to “resource”
- Providing a carbon-negative renewable energy product that can displace fossil fuel use as an action to address climate change
- Driving development of additional organics processing capacity in the Twin Cities Metro
- Securing a dedicated, long-term management solution for food scraps and organic-rich materials from the R&E Center
- Creating local construction and solid waste technology operations jobs

Organic Materials & Anaerobic Digestion

Facility enhancements at the R&E Center will soon facilitate source-separated food scraps recycling and the recovery of high-value materials from trash. Planning for higher use of organic materials, which currently become refuse-derived fuel (RDF) or process residue, have taken shape through several years of extensive research, reference facility site visits and engagement with technology providers.

There are two types of organic materials that can be moved up the waste hierarchy with alternative end-market technology:

- Source-separated food scraps in food scrap bags
- Organic-rich material separated from municipal solid waste in the recyclables recovery system (RRS) at the R&E Center

AD is a waste processing technology in which organic materials are placed into a container deprived of air with specialized microbes to produce biogas and digestate. Biogas, composed mainly of methane and carbon dioxide, can be used for heat or generating electricity, or it can be refined into renewable natural gas (RNG), as a substitute for fossil fuels. RNG can be used for vehicles or in the natural gas pipeline system for homes and businesses. RNG from food waste has a negative carbon intensity, which provides an environmental benefit by reducing greenhouse gas emissions in the transportation sector compared to diesel, conventional natural gas and RNG from landfills.

Digestate, the solid and/or liquid products from AD, contains plant nutrients from the breakdown of organic waste. Solid digestate can be composted to make a soil amendment or further processed into other value-added products. Liquid digestate can be used as agricultural fertilizer. Different types of digestion, such as “wet” and “dry” AD, require different feedstock mixes and moisture levels. AD is a proven technology for managing organic wastes, with flexibility and decades of operation and success in North America and worldwide.

As a part of the project to develop a digestion facility for Ramsey and Washington county organic materials, R&E staff and engineering consultants have developed subject matter expertise on AD technology and its specific application to meet the R&E Board’s needs. Foth, one of R&E’s engineering

SUBJECT: *Organic Materials Supply Agreement Recommendation*

firms, has evaluated digestion solutions throughout this project, culminating in a technical evaluation memorandum of the recommended technology, attached in this meeting packet.

Solicitation Chronology

In August 2020, R&E released the first of a two-phase solicitation for vendors capable of meeting the need for processing technologies and end-use markets for byproducts from the R&E Center. Nine proposers were determined to have provided credible and complete responses and were invited to proceed to phase II. In May 2021, R&E released the phase II request for proposals (RFP) to select vendors, which requested more detailed design, operations and financial information. Eight proposals were received and thoroughly evaluated by staff and consultants using the criteria in the RFP and multiple dimensions of analysis.

After proposer interviews in early 2022, JLT brought a recommendation to the Facility & Finance Committee in April to close the RFP process and authorize direct negotiation processes with two of the AD proposers. Additionally, the three members of the Facility & Finance Committee, JLT, R&E staff and key consultants conducted site visits internationally to facilities representing the AD proposers' technologies to confirm operational capabilities with similar feedstocks and climates.

In May 2022, R&E formed a negotiation team consisting of R&E's facility manager, procurement manager, planning manager, accounting manager, JLT, legal consultant, financial consultant, facility engineering consultant and strategic engineering consultant. This team developed an initial term sheet for each vendor, with the potential to ultimately enter into a 20-year organic material supply agreement with one of the vendors. The negotiation team conducted multiple negotiation sessions with each vendor between September and December 2022, focusing on terms for a potential agreement.

The result of these negotiations was the development of a non-binding letter of intent (LOI) between the vendor and the R&E Board. This approach allowed key provisions to be determined and brought forward to the Facility & Finance Committee and full R&E Board for consideration.

Analysis of Recommended Letter of Intent

The following elements for the LOI were identified during negotiations:

- Site status
- Condition precedent
- Term of agreement
- Delivery amounts/conditions
- Initial composting fee
- Anaerobic digestion fee
- Pricing limits (most favored nation)
- Remedy for commencement delay
- Delivery/acceptance shortfalls
- Contamination requirement/feedstock specifications
- Performance standards
- Technology

Based on the outcome of negotiations for these key elements, R&E staff recommend that the R&E Board accept the letter of intent with the Dem-Con Companies, LLC (Dem-Con) and Hitachi Zosen Inova USA LLC joint venture (DC/HZI) and enter final negotiations for an organic material supply agreement.

SUBJECT: *Organic Materials Supply Agreement Recommendation*

Several factors were considered in recommending DC/HZI's LOI. The LOI addresses each of the key elements identified. DC/HZI is a local partner with an understanding of the solid waste system in Minnesota. DC/HZI's proposed site is the current Dem-Con recycling and solid waste management facility in Shakopee, Minnesota. R&E staff visited an HZI reference facility in Jönköping, Sweden, that handles a similar post-consumer food waste, and facility design will match proposed design in Shakopee, MN. DC/HZI has worked with CenterPoint Energy and Char Technologies to develop markets for the sales of RNG and biochar. DC/HZI also offers educational resources to help promote participation in the food scrap program through Dem-Con's Green Grades Education program.

Tip fees that R&E will pay to deliver organic materials have been negotiated for both organics in food scrap bags and organic-rich material from the RRS, with pricing limits on the tip fee R&E will pay. DC/HZI's LOI includes a cost/revenue sharing provision adjusted based on commodity pricing of RNG and biochar products produced. It is recommended that R&E develop a reserve fund to reduce changes in budgeted expenses. R&E has worked with consultants to understand the potential impacts to expenses related to the cost/revenue sharing provision.

On February 9, 2023, the R&E Facility & Finance Committee approved a resolution, R&EB-FFC-2023-01, to bring a recommendation to the full R&E Board to approve the LOI from the Dem-Con and Hitachi Zosen Inova USA LLC joint venture. Additionally, the committee recommends delegating signing authority to the R&E Board Chair for the final organic material supply agreement that will be developed in line with the key terms in the approved letter of intent.

At the March 1, 2023, R&E Board meeting, staff will provide information and a recommendation on the selection of the Dem-Con and Hitachi Zosen Inova USA LLC joint venture and the key terms of the LOI for an organic feedstock supply agreement.

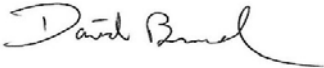



ATTACHMENTS:

1. Draft resolution
2. Resolution R&EB-FFC-2023-01 from the Facility & Finance Committee
3. Letter of Intent Concerning Organic Material Supply Agreement
4. Memorandum from Foth: End Use Markets Vendor Technical Evaluation
5. Memorandum from Stoel-Rives: Analysis of a Proposed Letter of Intent with Dem-Con/Hitachi Zosen Inova
6. Memorandum from Ehlers: Financial Considerations of Dem-Con/HZI Proposal for Anaerobic Digestion Facility

FINANCIAL IMPLICATIONS:

Estimated expenses at food scrap program maturity is \$6,387,600 per year with no changes to cost/revenue share. Costs will gradually increase in 2024 – 2027, with program maturity projected to hit 50,000 tons in 2028. Changes in commodity pricing for biochar and RNG will adjust the organic material tip fee.

SUBJECT: *Organic Materials Supply Agreement Recommendation*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	2/23/23
	2/23/23
	2/22/23
RAMSEY COUNTY ATTORNEY	2/21/23
	2/21/23
WASHINGTON COUNTY ATTORNEY	2/22/23
	2/22/23



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

RESOLUTION R&EB-2023-04

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 (“Counties”) dated September 22, 2022 (“Joint Powers Agreement”); and

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 each county; and

WHEREAS, Ramsey and Washington Counties have in place County Solid Waste Management Plans (“Management Plans”) approved by the Commissioner of the Minnesota Pollution Control Agency, which 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 Management Plans also include policies that affirm the processing of waste for recovering energy, recyclables and other beneficially usable materials as the preferred method to manage solid waste that is not reduced, reused or recycled; and

WHEREAS, The R&E Board, and its predecessor, the Ramsey/Washington County Resource Recovery Project Board (“Project Board”), have conducted extensive evaluation and analysis of methods to enhance recovery of value from the waste stream and have 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 solid waste management processing technologies, including source separation of organics and processing of mixed municipal solid waste to remove high-value materials; and

WHEREAS, The Scope for Resource Management, which outlines the strategic direction for solid waste management, includes management of byproducts from the Recycling & Energy Center (“R&E Center”) via end-use market technologies such as anaerobic digestion; and

WHEREAS, Anaerobic digestion is a proven, well-established technology used throughout North America and worldwide to manage large quantities of organic materials and produce biogas that can be refined into renewable natural gas as a substitute for fossil fuels; 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 and organic-rich material; 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 R&E Center and authorized the Joint Leadership Team (JLT) to issue the phase I request for proposals (RFP); and

WHEREAS, The JLT convened an evaluation team of staff and consultants to assess the proposals, using the criteria in the RFP and multiple dimensions of analysis, and two proposals were identified as the top solutions to meet R&E's needs for the management of organic feedstocks using anaerobic digestion; and

WHEREAS, The evaluation team has identified a strategy for working with the top proposers to ensure that the best solution is available to R&E, and the laws governing procurement through an RFP process are too restrictive to enable that process to move forward; and

WHEREAS, The R&E Board has the authority to negotiate with vendors and make purchases directly under Minn. Stat. § 473.811, subd. 4b., and direct negotiations will enable the R&E Board to employ the identified strategy for working with finalists to ensure the best solution for R&E's needs is available; and

WHEREAS, The R&E Board (R&EB-2022-08) closed the end-use markets for byproducts from the R&E Center RFP process and authorized the JLT to pursue and negotiate contracts with select end-use market vendors who submitted proposals as part of the phase II process using the direct purchase authority as outlined in Minn. Stat. § 473.811, subd. 4b; and

WHEREAS, R&E staff and the evaluation team have negotiated key contract terms and developed a non-binding letter of intent; and

WHEREAS, The letter of intent will be used as a basis for an organic material supply agreement with an anaerobic digestion vendor; and

WHEREAS, After a competitive negotiation period, R&E staff recommend the R&E Board agree to the proposed letter of intent from Dem-Con Companies, LLC and Hitachi Zosen Inova USA, LLC; and

WHEREAS, The Facility & Finance Committee has recommended (R&EB-FFC-2023-01) that the R&E Board approve the letter of intent between the Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC joint venture and the R&E Board and delegate authority to the R&E Board Chair to sign the final agreement. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby approves the letter of intent between the Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC joint venture and the R&E Board. BE IT FURTHER

RESOLVED, The R&E Board delegates authority to the R&E Board Chair to sign the final organic material supply agreement that will be developed in form to the key terms in the approved letter of intent.

Fran Miron, Board Chair
March 1, 2023

Attest
March 1, 2023



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

RESOLUTION R&EB-FFC-2023-01

Organic Material Supply Agreement Recommendation

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 (“Counties”) dated September 22, 2022 (“Joint Powers Agreement”); and

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 each county; and

WHEREAS, Ramsey and Washington Counties have in place County Solid Waste Management Plans (“Management Plans”) approved by the Commissioner of the Minnesota Pollution Control Agency, which 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 Management Plans also include policies that affirm the processing of waste, for recovering energy, recyclables and other beneficially usable materials, as the preferred method to manage solid waste that is not reduced, reused or recycled; and

WHEREAS, the R&E Board, and its predecessor the Ramsey/Washington County Resource Recovery Project Board (“Project Board”), have conducted extensive evaluation and analysis of methods to enhance recovery of value from the waste stream and have 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 solid waste management processing technologies, including source separation of organics and processing of mixed municipal solid waste (MSW) to remove high-value materials; and

WHEREAS, the Scope for Resource Management, which outlines the strategic direction for solid waste management, includes management of byproducts from the Recycling & Energy Center (“R&E Center”) via end-use market technologies such as anaerobic digestion; and

WHEREAS, anaerobic digestion is a proven, well-established technology used throughout North America and worldwide to manage large quantities organic materials and produce biogas that can be refined into renewable natural gas as a substitute for fossil fuels; 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 and organic-rich material; 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, JLT convened an evaluation team of staff and multiple consultant firms to assess the proposals from multiple perspectives, using the criteria in the RFP and multiple dimensions of analysis, and multiple proposals have been identified as the top solutions to meet R&E's needs for the management of organic feedstocks using anaerobic digestion; and

WHEREAS, the evaluation team has identified a strategy for working with the top proposers to ensure that the best solution is available to R&E, and the laws governing procurement through an RFP process are too restrictive to enable that process to move forward; and

WHEREAS, the R&E Board has the authority to negotiate with vendors and make purchases directly under Minn. Stat. § 473.811, subd. 4b., and direct negotiations will enable the R&E Board to employ the identified strategy for working with finalists to ensure the best solution for R&E's needs is available; and

WHEREAS, the R&E Board (R&EB-2022-08) closed the end-use markets for byproducts from the Recycling & Energy Center RFP process and authorized the JLT to pursue and negotiate contracts with select end-use market vendors who submitted proposals as part of the phase II process using the direct purchase authority as outlined in Minn. Stat. § 473.811, subd. 4b; and

WHEREAS, R&E staff and the evaluation team have negotiated key contract terms and developed a non-binding letter of intent; and

WHEREAS, the letter of intent will be used as a basis for an organic material supply agreement with an anaerobic digestion vendor; and

WHEREAS, after a competitive negotiation period, R&E staff recommend the R&E Board agree to the proposed letter of intent from Dem-Con Companies, LLC and Hitachi Zosen Inova USA, LLC.

NOW, THEREFORE, BE IT RESOLVED, the R&E Board Facility & Finance Committee recommends that the R&E Board approve the letter of intent between the Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC joint venture and the R&E Board. BE IT FURTHER

RESOLVED, the R&E Board Facility & Finance Committee recommends that the R&E Board delegate authority to the R&E Board Chair to sign the final organic material supply agreement that will be developed in form to the key terms in the approved letter of intent.



Trista MatasCastillo, Committee Chair
February 9, 2023



Attest
February 9, 2023

[Dem-Con/HZI Letterhead]

_____, 2023

Mr. Fran Miron
Chair
Ramsey/Washington Recycling and Energy Board
100 Red Rock Road
Newport, MN 55055

Subject: Letter of Intent Concerning Organic Material Supply Agreement

Dear Chair Miron:

This is a non-binding Letter of Intent (“LOI”) with respect to a potential transaction between the Ramsey/Washington Recycling and Energy Board, a joint powers board with its principal place of business at 100 Red Rock Road, Newport, MN 55055 (“R&E”), and the Dem-Con Companies, LLC (“Dem-Con”) and Hitachi Zosen Inova USA LLC (“HZI”) joint venture (“DC/HZI”), with its principal place of business at 13020 Dem-Con Drive, Shakopee, MN 55379 (R&E and DC/HZI each a “Party” and collectively, the “Parties”), where R&E will deliver organic material from its mixed municipal solid waste (“MSW”) processing facility in Newport, MN (the “Recycling & Energy Center” or “R&E Center”) to the DC/HZI anaerobic digestion facility (“AD Facility”) to be constructed, owned and operated by DC/HZI at the Dem-Con Drive location in Shakopee.

This LOI is subject to certain terms and conditions described below and the execution of a definitive and mutually acceptable agreement for delivery and processing of organic material as set forth herein. The Parties agree to cooperate in good faith to negotiate a definitive agreement necessary to consummate the proposed transaction as further described below prior to the LOI Termination Date below.

1. Non-Binding Commitment.

Except as expressly set forth in Section 4 below, this LOI not does not create, and shall not be construed as a commitment or undertaking on the part of the Parties and is not intended to be legally binding, but instead contains the general basis upon which the Parties are willing to negotiate the terms and conditions toward a proposed Organic Material Supply Agreement (“OM Agreement”). None of the terms or conditions contained in this LOI, other than those expressly noted in Section 4, will be binding on either Party until an agreement is fully negotiated, approved by both Parties’ governing boards, and executed and delivered by both Parties. This LOI does not purport to summarize all of the terms, conditions, covenants, representations, warranties and other provisions that would be contained in the proposed OM Agreement. The Parties commit that they will jointly work to negotiate a proposed OM Agreement but agree and acknowledge that there are no guarantees or assurances that the Parties will reach agreement or receive the necessary approvals.

2. Proposed Transaction.

A. Project Scope and Timelines.

Beginning in 2023, R&E will produce two types of organic material (“OM”) at the R&E Center. The OM will be generated by residents, businesses and institutions within Ramsey and Washington counties [collectively “Generator(s).” The OM will consist of organic food scraps (“OFS”) that are source separated by the Generator and collected and delivered by R&E that meet the OFS acceptance specification (“OFS Specification”), and organic rich material (“ORM”) separated from MSW received at the R&E Center that meets the ORM acceptance specification (“ORM Specification”). Collectively the OFS Specifications and ORM Specifications comprise the OM acceptance specifications (“OM Specifications”).

DC/HZI plans to utilize OM produced by R&E Center as a feedstock for the AD Facility once it is built, commissioned and fully operational. It is anticipated that commencement of operations at the AD Facility will be in _____, 2026, provided that the key milestones outlined in the “Project Timeline,” included herein as Schedule A, are achieved by the expected dates outlined therein. DC/HZI shall notify R&E in writing once DC/HZI has satisfied certain conditions, which will include, at a minimum: receiving all necessary permits for the construction and operation of the AD Facility and completing commissioning of the AD Facility such that it is ready to accept and process all OM to be supplied by R&E (the “AD Commencement Date”).

The OM Agreement will establish the permitting, construction, and commissioning schedule deadlines which are preliminarily outlined in Schedule A. Semiannual AD Facility status reports will be provided to R&E by DC/HZI by June 30 and December 31 of each year until the AD Commencement Date. If any status report indicates delays in the Project Schedule attributable solely to DC/HZI or that the AD Commencement Date cannot be met beyond a commercially reasonable extension period to be mutually agreed, R&E will receive compensation for delays including any increased costs incurred by R&E resulting from such delays, and a fee for unavailable processing capacity in excess of CM Maximum Diversion limits, to be further specified in the OM Agreement.

R&E shall not be obligated to fulfill the Annual Minimum delivery obligations described below until the AD Commencement Date. OM supplied by R&E which meets the OM Specifications will be used by DC/HZI to produce renewable natural gas (“RNG”), biochar (“BC”), compost material that meets MPCA Class I or Class II standards (“CM”) and other potential products, all of which must be used in a manner that allows R&E’s OM Material to count toward the recycling goals established under Minnesota law for Ramsey and Washington Counties.

B. Key Terms and Conditions of the OM Agreement

In addition to the terms in Section 2.A, above, the following key terms and conditions will provide the basis for the proposed OM Agreement:

- 1. Initial Processing Term and AD Term.** The OM Agreement will become effective upon execution and will subject to the condition precedent outlined in

Section B.2, below. Upon execution of the OM Agreement, and up until the AD Commencement Date, DC/HZI will accept OFS from R&E that meets the OFS Specification for composting and production of CM per the estimated schedule in Section B.3 of this LOI (the “Initial Processing Term”). R&E shall pay an initial OFS Fee of \$70.00 per ton (“Interim OFS Fee”) of OFS delivered and accepted for composting. The Interim OFS Fee shall be adjusted as described in Section B.9, below.

The “AD Term” shall begin on the AD Commencement Date for a period of 20-years, subject to the early termination rights outlined in Section 11. Upon mutual agreement of the Parties, the OM Agreement may be extended in up to two (2), five (5)-year increments (each a “Renewal AD Term”), following the expiration of the initial AD Term.

2. **Condition Precedent.** R&E’s obligation to proceed with implementing the OM Agreement, other than the first year of the Initial Processing Term, will be contingent upon DC/HZI providing written confirmation to R&E, within twelve (12) months of the effective date of the OM Agreement, of an initial per ton fee for OFS (“OFS Fee”) of One Hundred and Seven Dollars (\$107) and an initial per ton fee for ORM (“ORM Fee”) of One Hundred and Fifteen Dollars (\$115) and as adjusted per Section 9. B. of this LOI (“Condition Precedent”). If DC/HZI cannot satisfy the Condition Precedent within 12 months of the effective date, R&E will have the option, but not the requirement, to terminate the OM Agreement without penalty. If DC/HZI satisfies the Condition Precedent, R&E would be bound to proceed under the terms of the OM Agreement. The 12-month deadline for satisfaction of the Condition Precedent may be extended by mutual written agreement of the Parties.
3. **Interim Amount for Delivery to DC/HZI.** During the Initial Processing Term, DC/HZI will accept OFS per the terms and conditions of the OM Agreement, which meets the OFS Specification, from R&E for processing and production of CM up to the tonnages outlined in the estimated schedule below:

Year	Estimated Annual Volume (Tons)
<i>1</i> <i>2023</i>	<i>48</i>
<i>2</i> <i>2024</i>	<i>3,684</i>
<i>3</i> <i>2025</i>	<i>10,872</i>
<i>4</i> <i>2026</i>	<i>18,720</i>

OFS tonnage listed in the table above that is generated after the AD Commencement Date will be digested per the AD Term requirements in the OM Agreement.

- 4. Amount for Delivery to the AD Facility.** During the AD Term, R&E will initially deliver an Annual Minimum as set forth in Schedule B until it achieves delivery of Fifty Thousand (50,000) tons per year in 2028. Thereafter, the Annual OM Minimum shall be 50,000 tons per year (“Annual OM Minimum”), delivered in frequencies no greater than 1,200 tons per week of OM (“Weekly Maximum.”) The Parties could modify the Annual OM Minimum amounts by mutual written agreement. The composition of the 50,000 tons per year Annual OM Minimum will be approximately 30,000 tons per year of OFS, and 20,000 tons per year of ORM, each meeting their respective OM Specification. ORM will not exceed 24,000 (20,000 plus 20%) tons per year unless agreed upon by DC/HZI. So long as R&E is meeting its Annual Minimum, R&E shall have right of first access to the AD Facility for the Annual OM Minimum amount. When constructed, the AD Facility will have an annual capacity of between 70,000 and 105,000 tons per year, the “Annual OM Maximum.” DC/HZI shall have the right, at its sole discretion, to contract out or otherwise procure any capacity in excess of the Annual OM Minimum.
- 5. Delivery Terms:** R&E shall deliver OM to the AD Facility at its own cost. DC/HZI will be responsible for management and utilization of the OM upon delivery. DC/HZI shall report quarterly and annually to R&E on amounts of its supplied OM. Title to and risk of loss of OM accepted by DC/HZI hereunder shall pass to DC/HZI upon unloading at the AD Facility, as the case may be; provided that, no title or risk of loss shall pass to DC/HZI with respect to any Unacceptable Waste, which will be returned to or retained by R&E at R&E’s expense.
- 6. Characteristics of OM.** R&E shall deliver OM to the AD Facility as either OFS or ORM, which will have different characteristics. The OFS material will be delivered in BPI certified compostable bags. The OM shall meet the OM Specifications outlined in Schedule C (“OM Specification”). R&E shall not be responsible for any further refinement. R&E shall actively work in partnership with DC/HZI to maximize the quality of OM delivered to the AD Facility such that the OM meets or exceeds the OM Specifications. As between R&E and DC/HZI, DC/HZI shall be responsible for any penalties if the disposal and processing of the OM does not comply with applicable laws. DC/HZI shall not be responsible for any such penalties related to hauling and delivery of the OM, nor shall it be responsible for any penalties that may result from R&E delivering OM with contamination in excess of the OM Specifications.
- 7. Performance Standards.** DC/HZI shall achieve the following performance standards in utilizing the OM so long as the OM meets the OM Specifications:

 - a. Produce pipeline quality RNG, BC, and CM, or other potential products, all of which must be successfully utilized in a manner that allows R&E’s OM Material to count toward the recycling goals established under Minnesota law for Ramsey and Washington Counties.

- b. DC/HZI will use a high temperature pyrolysis process to reduce PFAS contamination.
 - c. OM, BC and CM shall not be landfilled or used as landfill cover, so long as the OM meets the OM Specifications.
 - d. OFS bags will be processed in the compost and AD processes such that only a de minimus amount of the OFS bag material will be included in the residual resulting from the composting or AD processes.
 - e. Annual monitoring and reporting on Greenhouse Gas (“GHG”) emissions reductions achieved through use of R&E OM.
 - f. Ongoing compliance with federal, state, and local environmental laws (“Applicable Law”).
- 8. Payments.** During the term of the OM Agreement, R&E will pay DC/HZI a per ton fee for OFS (“OFS Fee”) and per ton fee for ORM (“ORM Fee”) accepted by DC/HZI. The OFS and ORM Fees shall be collectively referred to as the OM Fee (“OM Fee”). The OFS Fee charged to R&E shall be no more than the lowest fee paid by any Public Entity, as defined in Minn. Stat. Section 16C.073, subd. 1(g), supplying organic food scrap material to the AD Facility that is delivered with plastic compostable or other bags that require pre-processing (“Governmental Supplier”), and has the same or higher actual average contamination percentage as the OFS supplied by R&E (“Pricing Limit”). DC/HZI shall honor the Pricing Limit during the Initial Processing Term. During the AD Term, DC/HZI shall not be bound by the Pricing Limit if R&E does not meet its Low Range Annual Minimum in Schedule B. Any contracts signed when the Pricing Limit is not in effect will not be bound by the Pricing Limit for the term of said contract, even if the Pricing Limit subsequently becomes effective. When the Pricing Limit is in effect, DC/HZI shall provide access for R&E to audit pricing information from its Governmental Suppliers to document compliance with the Pricing Limit.

R&E will pay the OM Fee for the Annual Minimum described in Schedule B divided equally by Twelve (12) months each year. If R&E fails to deliver in any calendar year at least the Annual OM Minimum as described in Schedule B, R&E will pay DC/HZI the OM Fee on the difference between the Annual OM Minimum and the actual tons accepted at the AD Facility (“Delivery Shortfall”). In addition, R&E will allow DC/HZI to procure additional tonnage for digestion equal to the Delivery Shortfall and R&E will pay DC/HZI an additional 25% of the OM Fee for liquidated damages from the lost sale of RNG, BC and CM per ton of the Delivery Shortfall tonnage.. R&E will not be responsible for liquidated damages from the sale of RNG, BC, and CM generated from any additional tonnages secured, by either party, for the purposes of either partially, or fully, reducing the Delivery Shortfall tonnages.

Except for scheduled maintenance outages and force majeure events, if R&E proffers but DC/HZI fails to accept in any week Eighty Percent (80%) of the Weekly Maximum (“Acceptance Shortfall”), DC/HZI shall pay R&E One Thousand Dollars (\$1000) per week toward R&E’s cost to dispose of the OM comprising the Acceptance Shortfall (“Liquidated Damages”).

9. Payments and Adjustments.

- a. The annual Interim OFS Fee will be as set forth in the table below:

Year	Fee Per Ton
2023	\$70.00
2024	\$70.00
2025	\$72.00
2026	\$74.15

- b. Upon satisfaction of the Condition Precedent, the initial OM Fee will consist of an OFS Fee of One Hundred and Seven Dollars (\$107) per ton and an ORM Fee of One Hundred and Fifteen Dollars (\$115) per ton if before January 1, 2024 or as adjusted on January 1, 2024, and every year thereafter, on the first business day of the year by the percentage increase of the US Consumer Price Index (CPI)-Urban Midwest during the prior calendar year.
- c. The OM Fee shall also be adjusted monthly based on the Revenue Share attached as Schedule D (“Revenue Share Schedule”).
- d. DC/HZI may, in its reasonable discretion, divert up to a maximum of ten percent (10%) of accepted OFS each year such that it bypasses the AD Facility and is converted into CM. R&E shall only pay the OFS Fee for such diverted OFS material.
- 10. Assignment.** Neither Party shall be able to assign the proposed agreement without the written consent of the other Party, which shall not be unreasonably withheld.
- 11. Early Termination.** The OM Agreement may be terminated early as follows:
- a. At any time upon mutual written agreement.
- b. By either Party upon written notice that the non-terminating Party has committed a material breach of the proposed agreement, provided that the material breach is not cured within Sixty (60) days after receipt of the written notice, or that such Party has not commenced to cure such material breach within sixty (60) days after receipt of the written notice with reasonable assurance that such material breach shall be fully cured within One Hundred Twenty (120) days.

- c. By one Party providing Thirty (30) days advance written notice in the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the other Party, or the appointment with or without such other Party's consent of an assignee for the benefit of creditors or of a receiver for such other Party, or the going into liquidation voluntarily or otherwise for the making of a composition with creditors of such other Party; provided such proceedings are not dismissed within such 30 days.
- d. By R&E upon providing Sixty (60) days advance written notice to DC/HZI in the event DC/HZI fails to accept at least Twenty-Five Thousand (25,000) tons of OM during any six-month period or fails to accept the Annual OM Minimum in any calendar year, other than as a result of R&E's failure to deliver such OM or as a result of a force majeure; provided DC/HZI does not, within such 60 days, provide reasonable assurances of future acceptance of the Annual OM Minimum, with acceptance of such assurance at the discretion of R&E; or
- e. By DC/HZI upon providing sixty (60) days advance written notice to R&E in the event R&E fails to deliver or make available for delivery at least Twenty-Five Thousand (25,000) tons of OM during any six-month period or fails to deliver the Annual OM Minimum in any calendar year, other than as a result of a force majeure; provided R&E does not, within such 60 days, provide reasonable assurances of future delivery of the Annual OM Minimum, with acceptance of such assurance at the discretion of DC/HZI.

3. Additional Terms

It is anticipated that the OM Agreement will also have provisions related to the following:

- 1. Delivery;
- 2. Payment;
- 3. Quarterly and Annual Reporting;
- 4. Data Practices;
- 5. Audit Rights;
- 6. Record Retention;
- 7. Maintenance Obligations;
- 8. Representations and Warranties;
- 9. Performance Bond and Insurance;
- 10. Indemnification;
- 11. Force Majeure;
- 12. Dispute Resolution;
- 13. Venue and Choice of Law; and
- 14. Miscellaneous.

4. Miscellaneous.

A. Expenses. Regardless of whether the proposed OM Agreement is consummated, R&E and DC/HZI will pay their respective expenses, including outside legal and accounting fees, incident to the negotiation and preparation of this LOI, any definitive agreements and all other documents prepared in connection herewith or therewith, expenses, fees, and costs associated with pursuing any permits, extensions, or regulatory approvals, if any, and other expenses incident to the consummation of the proposed OM Agreement.

B. Relationship between the Parties. The relationship between the Parties under this LOI is not intended to create a partnership or joint venture under applicable law or to give rise to any fiduciary duties between the Parties or to create any right or authority to act as agent or otherwise on the other Party's behalf or to bind the other Party to agreements with third parties, except as explicitly described herein.

C. Exclusivity. In consideration of the significant efforts and resources which DC/HZI will expend to develop the AD Facility and negotiate the proposed OM Agreement, R&E shall not: (i) engage in discussions or negotiations with any entity other than DC/HZI and its representatives concerning the supply of OM Agreement inconsistent with the proposed transaction with DC/HZI.

D. Entire Agreement; Amendment. This LOI represents the entire agreement between R&E and DC/HZI with respect to the subject matter herein. This LOI may only be modified, varied, or amended by written instrument signed by the Parties.

E. Choice of Law and Venue. This LOI and the proposed OM Agreement shall be governed by, and construed in accordance with, the laws of the State of Minnesota applicable to agreements made and to be performed within such State, without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Minnesota. The parties specifically disclaim application of the United Nations Convention on Contracts for the International Sale of Goods. Each Party hereby irrevocably waives, and shall cause its subsidiaries and affiliates to waive, all right to a trial by jury in any action, proceeding or counterclaim arising out of or relating to this LOI or the transactions contemplated hereby. All actions at law or in equity brought by either Party arising out of or in connection with this LOI shall be brought exclusively in a court of competent jurisdiction the State of Minnesota, and the Parties hereby waive any provision of law providing for a change of venue in such proceedings to any other jurisdiction.

F. Termination. This LOI shall terminate sixty (60) days after the effective date of the LOI, which date may be extended on mutual written agreement of the Parties (email being sufficient for such notice).

G. No Third-Party Beneficiaries. Nothing herein contained shall be construed to benefit any third parties not a signatory to this LOI, and no such parties shall have the right to enforce any of the provisions of this LOI.

SUBJECT: *Organic Materials Supply Agreement Recommendation*

H. Counterparts. This LOI may be executed in one or more counterparts, each of which shall be an original, but all such counterparts shall together constitute but one and the same instrument. A signed copy of this LOI delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this LOI.

Each party acknowledges and accepts this LOI as indicated by its signature affixed below.

Dem-Con/HZI

By: _____

Printed Name: _____

Title: _____

Date: _____

Ramsey/Washington Recycling & Energy Board

By: _____

Printed Name: _____

Title: _____

Date: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

As to Form:

By: _____

Title: _____

**SCHEDULE A
PROJECT TIMELINE**

The following Project Timeline is based on the current understanding of the proposed project, material supply chains, R&E estimated schedule for approval of a Memorandum of Understanding (MOU) and subsequent OM Agreement approval, and estimated state and local permitting. Any delays in approval of the LOI and OM Agreement beyond what is stated herein will extend the schedule below an equivalent amount. R&E and DC/HZI will work in partnership to expedite the permitting and approval process. However, it is important to note that much of the permitting timeline is out of the control of either of these parties and will directly impact the proposed timeline herein. DC/HZI cannot be held responsible, nor can there be any negative contractual or financial impacts due delays in permitting, so long as both parties are making their best efforts to move the process forward.

A project Gantt Chart has been developed which contains the following General Milestones:

Description	Expected Date of Completion
R&E Board Approval of LOI	December 15, 2022
OM Agreement Execution	February 1, 2023
State Permitting (18 months)	Q1 2023 – Q3 2024
Grant Procurement (14 months)	Q1 2023 – Q2 2024
Additional Volume Procurement (14 months)	Q1 2023 – Q2 2024
Local Permitting (6 months)	Q1 2024 – Q3 2024
Site Preparation (2 months)	Q3 2024
Foundation (3 months)	Q3 – Q4 2024
Building Construction (6 months)	Q4 2024 – Q1 2025
HZI Equipment Installation Start (24 months)	October 2023
Basic Engineering (140 days)	Q1 2023 – Q3 2023
Detail Engineering/Procurement (290 days)	Q3 2023 – Q3 2024
Equipment Installation (245 days)	Q4 2024 – Q4 2025
AD Commissioning (115 days)	Q4 2025 – Q1 2026

**SCHEDULE B
ANNUAL OM MINIMUMS**

OFS & ORM Minimum Annual Tonnage					
Year	OFS TYP Low	OFS TYP High	ORM	Low OFS/ORM Total	High OFS/ORM Total
2026	16,244	18,720	20,000	36,224	38,720
2027	22,786	26,292	20,000	42,786	46,292
2028	26,634	30,000	20,000	46,634	50,000
2029	30,000	30,000	20,000	50,000	50,000

The Annual Minimum shall begin on the AD Commencement Date and shall be the High OFS/ORM total listed in Schedule B for each year until 2028 at the point R&E delivers 50,000 tons of OM. Thereafter, the Annual Minimum shall be 50,000 tons per year. However, for purposes of the Pricing Limit in Section 8, the Annual Minimum shall be the Low OFS/ORM Total.

SCHEDULE C

R&E Organic Materials (OM) Specification

1. R&E Organic Materials

R&E will supply the DC/HZI digester with Organic Materials (OM) which consist of Source Separated Organics (SSO) in Durable Compostable Bags (DCBs) and Organic Rich Materials (ORM) which is screened from the Municipal Solid Waste (MSW).

2. Contaminants in Organic Materials

The OM shall not contain any substances that can contaminate the output, such as hazardous waste, heavy metals, ash, treated wood, glass, non-organic fertilizers, chemicals, toxins, etc., that will cause the end products to be outside the requirements of Minnesota Rule specifications for compost, the International Biochar Initiative (IBI) specifications for biochar, or the United States Environmental Protection Agency (EPA) hazardous waste standards.

3. Process Damaging Substances

The OM shall be free of any process damaging substances, which may inhibit or stop the biological processes during digestion, including, but not restricted to pesticides, medical drugs (including all sorts of antibiotics), solvents, etc. If such substances are present in the OM all performance and process guarantees are void and the load will be rejected.

4. Organic Materials Characteristics

The design and process calculations, related to the Kompogas[®] Anaerobic Digestion, are based on the characteristics of the OM delivered to the plant and ultimately fed (after pre-treatment) into the Kompogas[®] Anaerobic Digester.

OM loads not in compliance with the limiting values listed in Tables below are subject to rejection and/or additional charges.

TABLE 1: Organic Waste Characteristics for Organic Materials

Parameter	Limiting value ¹	
	Min	Max
Total Solids [%TS of OM by weight]	25%	90%
Volatile Solids [% of TS by weight]	50%	100%
Biogas Yield [NI of biogas per kg]	150	
pH-value [-]	2.0	12.5
Content of impurities in DCBs [% by volume] ¹	0%	5%
Content of impurities in ORM [% by weight] ¹	0%	30%
Particle dimensions, excluding length of long pieces [inches]	0	2.5
Long Pieces length [inches] ²	0	8
Content of Long Pieces [Volume% of OM] ²	0	10

¹ Impurities are defined as non-organic or plastics or heavy particles (e.g. sand, gravel, stones, glass, metal, hard plastic, seashells, fruit pips, etc.)

² Long pieces per length limits defined in this table.

5. Heavy Metals

Heavy metals present in the OM will be present in the end products produced regardless of digestion process (i.e. high solids, low solids, etc.), pyrolysis, mechanical screening/processing, etc. There are standards set by the EPA, the State of Minnesota, and the IBI for the heavy metals content of the end products. Based on these limitations, the following table was developed which provides the maximum heavy metals content in the OM being delivered to the facility.

TABLE 2: Organic Materials Acceptance Levels – Heavy Metals

Parameter	Feedstock Limiting Value
	Not To Exceed (mg/kg)*
Arsenic (As)	1.06
Cadmium (Cd)	3.90
Chromium (Cr)	111.29
Cobalt (Co)	28.72
Copper (Cu)	124.95
Lead (Pb)	29.47
Mercury (Hg)	5.00
Molybdenum (Mo)	1.80
Nickel (Ni)	42.00
Selenium (Se)	4.52
PCB	0.60
Zinc (Zn)	280.00

*These Feedstock Limiting Value Not To Exceed numbers were set based on using the more conservative of the EPA biosolids land application rates, IBI standards, and MPCA Class I compost standards and a concentration factor of 10.

**SCHEDULE D
REVENUE/COST SHARE SCHEDULE**

1. Revenue Share of BC. Any revenue obtained by DC/HZI through the sale of BC generated by R&E's prorata share shall be shared with R&E such that for every Five Dollars (\$5) per ton in revenue above One Hundred and Thirty Dollars (\$130) per ton in BC revenue, the OM Fee shall be reduced by an estimated one dollar (\$1.00) per ton. Similarly, for every Five Dollars (\$5) per ton decrease in revenue below One Hundred and Thirty Dollars (\$130) per ton in BC revenue, the OM Fee shall be increased by an estimated one dollar (\$1.00) per ton. The estimated changes in the OM Fee resulting from a change in value of BC will be established as part of the OM Agreement based on the agreed upon terms and conditions.

2. Revenue Share of RNG. The sale price for RNG includes all attributes (state, federal, and other credits) in addition to the sale of the gas molecules for a total blended sale price for RNG ("Effective RNG Rate"). The initial Effective RNG Rate will be established upon DC/HZI meeting the Condition Precedent and there is no revenue or risk share at the initial Effective RNG Rate set point. The risk and reward revenue share agreement shall be applied to any changes in the initial Effective RNG Rate. Any One Dollar (\$1.00) increase in the Effective RNG Rate generated by R&E's prorata share above the initial Effective RNG Rate shall yield a One Dollar and Seventy Cents (\$1.70) reduction in the OM Fee. Similarly, any One Dollar (\$1.00) decrease in the Effective RNG Rate generated by R&E's prorata share below the initial Effective RNG Rate shall yield a One Dollar and Seventy Cents (\$1.70) increase in the OM Fee. .

3. Revenue Share of Green Hydrogen and New Technologies Benefits. If the AD Facility is adapted to produce hydrogen, or any other product resulting from new technological developments, the OM Fee will be adapted to share revenue via a reduction in the OM Fee to be negotiated by the Parties at the time the AD Facility is adapted to produce hydrogen, or another new product.

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Memorandum

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January 23, 2023

TO: Michael Reed and David Brummel, Ramsey/Washington Recycling & Energy (R&E) Joint Leadership Team (JLT)

CC: Cami Van Abel, Foth Infrastructure & Environment, LLC (Foth)

FR: Nathan Klett, Foth

RE: End Use Markets Vendor Technical Evaluation

1. Executive Summary

Foth has been assisting R&E through the technical components of evaluating the responses to the End Use Markets Request for Proposals (RFP), responses to the End Use Markets Phase II RFP, and due diligence process associated with evaluating the preferred vendors. This memorandum provides a summary of the Anaerobic Digestion (AD) technology proposed by the Dem-Con/Hitachi Zosen proposal team and how the technical aspects of the proposed technology meets the needs of R&E.

2. Background

R&E issued an RFP and received responses in the fourth quarter of 2020. An evaluation team reviewed the responses and invited a selected group of respondents to provide a response to a Phase II RFP issued in the second quarter of 2021. Responses to the Phase II RFP were received in the third quarter of 2021 and were evaluated by the same evaluation team. There were three respondents selected for further due diligence. Due diligence included site visits to respondent's reference facilities during the second quarter of 2022. Through the remainder of 2022, negotiations with the top two respondents took place to develop a Letter of Intent (LOI) with each of the respondents. Also, during this negotiation process, one of the respondents had a new facility begin operations on the east coast, so a site visit to this facility was conducted in early 2023. Through this process, the top ranked respondents were those that were proposing to use an AD process to produce renewable natural gas (RNG) and digestate from the organics collected in food scrap bags (FSBs) and the organic rich material (ORM) that will be produced at the R&E Center once the recyclable recovery system (RRS) is operational and the FSB program is rolled out. The technology proposed by the Dem-Con/Hitachi-Zosen team is summarized in the following paragraphs and is considered a high solids or dry AD system.

3. High Solids (Dry) AD

In a high solids or dry AD system, the organic materials typically enter the AD process at between 15 and 40% solids content. The higher solids content is generally representative of the organics separated from MSW in the form of FSBs and ORM that will be captured at the R&E Center. The general process flow would involve initially receiving the FSB and ORM in an organic

waste receiving pit where it will be loaded into a shredder for size reduction and pass by a magnet for potential metals removal. The organic waste will then enter the digester where it has a retention time of approximately 14-days during which time gas is being produced and captured and cleaned to produce RNG. Once the digestate is removed from the digester it is dewatered and cured to produce compost, or in the case of the Dem-Con/Hitachi Zosen team, to produce bio-char (discussed in more detail further in this summary memorandum).

During the due diligence process, the evaluation team and several Commissioners traveled to a reference facility in Sweden where the facility was operating using the technology from Hitachi-Zosen. This facility received relatively clean source separated organics as well as pre-consumer organics from various commercial/industrial processes. The facility produced RNG as well as a digestate material that was transferred to on-site compost windrows and screened into a clean compost. Another facility employing the Hitachi-Zosen technology in San Luis Obispo, California where the facility was successfully produced RNG and clean compost from a clean yard waste feedstock was visited in the past by several members of the evaluation team. The Hitachi-Zosen technology is currently being used at a facility in Spain for digesting the organic fraction of MSW. The digestate was being used as a soil amendment at vineyards until recently when heavy metals were detected above the regulatory requirements in Spain.

Some of the advantages of a high solids AD system include:

- Require significantly less energy input into the process as compared to low solids (wet) AD and typically have more energy available for export.
- The organics separated from MSW may be able to be used directly in a high solids AD process with minimal liquids addition.
- Digestate produced requires significantly less drying than wet AD and in some cases can go directly to a compost pad for finishing prior to land application.
- Requires significantly less management of wastewater and allows for recirculation of a significant portion of the process water.

Some disadvantages of a high solids AD system include:

- The potential addition of bulking agents (yard waste) for system efficiency and optimal feedstock mixture (this will be a component of the Dem-Con/Hitachi-Zosen facility).
- A high solids system cannot handle liquids as well as wet AD systems which may limit the available feedstock options.
- Higher variation in biogas and heat production requires continual management.
- May have higher capital and operational costs compared to wet digestion.

In addition to the AD process the Dem-Con/Hitachi-Zosen team is proposing, the team is planning to include a pyrolysis component for management of the digestate (when not composting the digestate) to produce a bio-char product. The next section will further discuss pyrolysis and bio-char.

4. Pyrolysis

Pyrolysis is the thermal degradation of an organic material in the absence of oxygen. The process consists of heating the carbon source in an oxygen-free environment at temperatures of 400 degrees Celsius or above until the biomass is thermally decomposed into combustible gases, bio-oil and bio-char. Most of the combustible gases produced can be condensed, and

converted into a crude oil, and/or other petroleum-based products. When this crude oil is refined, the most common co-products produced are fuel, lubricants, waxes, and Naphtha. The amount of gas, bio-oil or bio-char produced is dependent on the feed stock, temperature and heat rate of the pyrolysis process.

4.1 Feedstock

Different carbon source materials can be used as feedstock in the pyrolysis process. When plastics are used as feedstock the main goal is to produce fuel. On the other hand, when biomass is the feedstock, bio-char is the main desirable product.

A wide range of biomass feedstock can be used in pyrolysis. The efficiency of the process depends highly on the moisture content and the particle size of the feedstock used. Due to the need for rapid heat transfers through the feedstock, the feedstock particles should have a maximum size of 2 mm. In addition, the moisture content should be kept at 10% to achieve higher performance¹. This may require the Dem-Con/Hitachi-Zosen team take additional dewatering and sizing steps to make sure the digestate moisture content is at or below 10% and has an optimal particle size.

When waste residues are used as feedstock, their decomposition favors fast heating rates with yields of more gases and less production of char.²

Digestate has a fast degradation process during pyrolysis due to its relatively high volatile matter content. A pyrolysis pilot study using digestate as feedstock showed that about 5% of digestate was converted to gas, while about 50% and 40% was converted to liquid and char, respectively³.

4.2 Bio-char

The bio-char is a combination of non-combustible materials and carbon that can be used as a soil amendment increasing the soil's ability to retain water, nutrients, and agricultural chemicals. Bio-char can also be used in the manufacture of activated carbon filtration media, which has been used for removal of PFAS in certain applications.

4.3 Contaminant Reduction

A study undertaken by the United States Environmental Protection Agency (EPA) produced some results on the use of pyrolysis to destroy PFAS-contaminated media and waste. According to the study, the high temperatures and residence times achieved during pyrolysis followed directly by combustion of the heavy oil output could potentially destroy PFAS.⁴ There was no mention of PFAS present in the bio-char. However, most of the available information of the pyrolysis process regarding contaminants destruction is under the academic scenario since

¹ <https://www.altenergymag.com/article/2009/02/biomass-pyrolysis/502/>

² <https://onlinelibrary.wiley.com/doi/full/10.1002/ese3.503>

³ Opatokun, S.A.; Kan, T.; Al Shoaibi, A.A.; Srinivasakannan, C.; Strezov, V. Characterization of food waste and its digestate as feedstock for thermochemical processing. *Energy Fuel* **2016**, *30*, 1589–1597.

⁴ [https://www.epa.gov/sites/default/files/2021-](https://www.epa.gov/sites/default/files/2021-01/documents/pitt_research_brief_pyrolysis_final_jan_27_2021_508.pdf)

[01/documents/pitt_research_brief_pyrolysis_final_jan_27_2021_508.pdf](https://www.epa.gov/sites/default/files/2021-01/documents/pitt_research_brief_pyrolysis_final_jan_27_2021_508.pdf)

most technology providers consider this data proprietary and the existing pyrolysis facilities are in relatively early stages of development.

In regard to the fate of metals in the pyrolysis process, the literature shows that in general, more volatile heavy metals such as lead, zinc, cadmium, and selenium would tend to vaporize and recondense on fine particles. The remaining metals would mostly follow a path into the bio-char. A specific study on woody biomass with cadmium and copper content showed that about 60-70% of these metals were bound to the bio-char⁵. Therefore, the pyrolysis process does not specifically destroy metals, but rather the metals are found in the bio-char or other fine particles remaining after the pyrolysis process that would need to be evaluated prior to land application of the bio-char as a soil amendment.

In regard to air emission regulations, it was found that no regulations are currently in place for the use of pyrolysis on non-hazardous waste in Minnesota.

Other pyrolysis outputs that yield less market value and that can be considered residue are non-condensable gases such as CO₂, CO, H₂, and light hydrocarbons. When feasible, these non-condensable gases can be captured and re-enter the pyrolysis process as energy source, otherwise they need to be safely flared. However, hydrogen may have value if there is a market available.

The Dem-Con/Hitachi-Zosen team's proposed use of pyrolysis may have benefits in terms of destruction of contaminants that may be present in the ORM in particular. However, no specific examples of using a pyrolysis process with the digestate from FSBs or ORM as a feed stock were provided to confirm contaminant destruction or bio-char quality, which is of concern since the Dem-Con/Hitachi-Zosen proposal relies on the sale of the bio-char as a revenue source, which will impact tipping fees paid by R&E. There is also concern with the reasonably stringent contamination requirements proposed by the Dem-Con/Hitachi-Zosen team for the ORM, since the quality of this material is variable and dependent on the inbound waste stream. Finally, the Dem-Con/Hitachi-Zosen team is considering the production of hydrogen (H₂) from the pyrolysis process if a hydrogen market becomes available and is cost effective which may impact the tipping fees for the R&E Center.

⁵ <https://bioresources.cnr.ncsu.edu/resources/potential-of-pyrolysis-for-the-recovery-of-heavy-metals-and-bioenergy-from-contaminated-broussonetia-papyrifera-biomass/#:~:text=Fate%20of%20Heavy%20Metals%20During,products%20was%20not%20influenced%20significantly.>

MEMORANDUM

Date: February 22, 2023

To: Ramsey/Washington Recycling & Energy Board

From: Kevin D. Johnson, Partner
Kevin.Johnson@huschblackwell.com
612.719.4378

Re: **Analysis of Proposed Letter of Intent with Dem-Con/Hitachi Zosen Inova**

I. Introduction

The purpose of this memo is to provide an overview and risk analysis of the key provisions of the proposed Letter of Intent (LOI) for a twenty (20) year organic material supply agreement (OM Agreement) with a joint venture consisting of Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC (DC/HZI). The LOI has been proposed by Ramsey/Washington Recycling & Energy Board (R&E) staff for approval by the R&E Board.

First, it is important to note that the LOI is not a binding agreement between R&E and DC/HZI. Although certain provisions specifically identified in the LOI related to the negotiation process are binding, the LOI instead provides a non-binding outline of the key provisions to be embodied in an OM Agreement to be negotiated after approval of the LOI. There will not be a final OM Agreement unless and until both parties execute that agreement.

A key feature of the LOI is that it does provide an exclusive period to negotiate with just DC/HZI for a final OM Agreement. R&E has conducted an extensive request for proposal process that resulted in direct negotiations with two potential anaerobic digestion project developers. By executing this LOI, R&E will have decided to exclusively negotiate a final agreement with DC/HZI until an agreement is reached, or the end of a 60-day negotiation period, whichever is sooner. The 60-day negotiation period could be extended of both parties so agree.

II. Overview of Key Provisions of Proposed Transaction

The LOI has two basic time periods correlating to R&E's delivery of organic materials in conjunction with DC/HZI's development of an anaerobic digestion facility (AD Facility), which is to be located at the current Dem-Con recycling and solid waste management facility in Shakopee, Minnesota.

R&E will be producing increasing amounts of organic food scrap (OFS) material from its new food scrap bag (FSB) collection program over the next several years, and the LOI sets out a four-year period beginning this year in which OFS material will be composted. In addition, R&E will later this year begin producing organic-rich material (ORM) at the Recycling & Energy Center (R&E Center) from the new processing line that was recently installed. However, the ORM material will only be suitable for the AD Facility, which is not projected to begin operations until 2026.

The LOI establishes an interim period under which the OFS will be addressed via composting at the Shakopee Mdewakanton Sioux Community (SMSC) composting facility pursuant to an arrangement between DC/HZI and SMSC. The fee to be paid by R&E for composting of the OFS is set out in the LOI for the interim period, beginning at Seventy Dollars (\$70.00) per ton in 2023 and escalating to Seventy-Four Dollars and Fifteen Cents (\$74.15) per ton in 2026.

A. Condition Precedent

It is extremely important to note that before any obligations are imposed on R&E, DC/HZI must first meet a condition precedent within twelve months from the effective date of the OM Agreement to certify to R&E an initial per-ton fee for OFS at the AD Facility of One Hundred and Seven Dollars (\$107.00) per ton, and an initial per ton fee for ORM of One Hundred and Fifteen Dollars (\$115.00) per ton at the AD Facility. The OFS and ORM fees blended are called the OM Fee. If DC/HZI cannot satisfy this condition within twelve (12) months of the effective date of the OM Agreement, R&E will have the option, but not the requirement, to terminate the OM Agreement without penalty. If DC/HZI satisfies the condition, R&E would be bound to proceed under the terms of the agreement.

B. Annual Minimum Deliveries

The second key period of the LOI is the AD Term, which begins when DC/HZI has commissioned its AD Facility and is ready to receive OFS and ORM from R&E. The ORM material will need to be landfilled until the time at which DC/HZI can accept it at the AD Facility.

Assuming the condition precedent on pricing can be met by DC/HZI within the 12-month time frame, R&E would then become obligated to meet delivery obligations for both OFS and ORM. The LOI provides a schedule for annual minimum amounts to be delivered upon commencement of the AD Facility, beginning in 2026 at 38,720 tons total combined OFS and ORM and ramping up to 50,000 tons in 2028, at which point the annual minimum amount would remain at 50,000 tons per year.

C. Delay in AD Facility Commencement

The OM Agreement will establish permitting, construction, and commissioning deadlines that are preliminarily outlined in the LOI. DC/HZI will provide semi-annual status reports to R&E on development of the AD Facility until the AD commencement date. If a status report indicates delays in the schedule attributable solely to DC/HZI, or that the AD commencement date cannot be met beyond a commercially reasonable extension period, R&E will receive compensation for the delays, including any increased costs incurred by R&E resulting from such delays, and a fee for unavailable processing capacity.

D. OM Specifications

The material to be delivered must meet certain characteristics, deemed OM Specifications. The LOI sets out the specifications for both OFS and ORM. OFS must not exceed five percent (5%) contamination, and the ORM must not exceed thirty percent (30%) contamination. There are more detailed standards for heavy metals, as well as other contamination limits.

E. Performance Standards

DC/HZI must meet certain performance standards, including producing pipeline quality renewable natural gas (RNG), compost material (CM), as well as biochar (BC) material. DC/HZI will utilize pyrolysis technology to produce BC material from the digestate material resulting from the AD process. Class I or II CM will also be allowed as an end product, so long as it can meet the recycling goals established under Minnesota law for Ramsey and Washington Counties. DC/HZI is planning to utilize pyrolysis to mitigate potential PFAS contamination and to enhance the marketability of the digestate material from the AD process. DC/HZI commits to not using any OM as landfill cover or landfilling of OM, so long as the R&E meets the OM specifications. Regarding the OFS bags, DC/HZI will manage and recover them via the AD and pyrolysis processes. DC/HZI commits that only a small amount of bag material would be included in the residual, primarily from the composting process. DC/HZI also commits to annual monitoring and reporting on greenhouse gas emissions reductions achieved through use of the OM from R&E.

F. Payments and Revenue/Cost Sharing

The LOI sets out a somewhat complex structure for R&E payments to DC/HZI. As noted previously, the initial payments will be for composting of the OFS material under a predetermined schedule. However, assuming the initial OM fees can be met under the condition precedent, such fees will begin to escalate at that time on an annual basis, based upon the annual Consumer Price Index percentage increase from the prior year.

In addition, the OM Fee will be adjusted monthly based upon a revenue/cost sharing formula established in the LOI, to be further developed as part of the OM Agreement. The revenue/cost sharing will occur for both RNG and BC. For RNG, there will be an initial RNG rate established upon DC/HZI meeting the condition precedent. Then, during the AD Term every One Dollar (\$1.00) increase in the initial RNG rate shall yield a One Dollar and Seventy Cents (\$1.70)

reduction in the OM Fee. Similarly, every One Dollar (\$1.00) decrease in the RNG rate below the initial rate shall yield a One Dollar Seventy Cents (\$1.70) increase in the OM Fee.

For BC, any revenue obtained by DC/HZI through the sale of BC will be shared with R&E such that every Five Dollars (\$5.00) per ton in revenue above One Hundred and Thirty Dollars (\$130.00) per ton in BC revenue shall reduce the OM Fee by an estimated One Dollar (\$1.00) per ton. Similarly, every Five Dollars (\$5.00) per ton decrease in revenue below \$130 per ton, shall increase the OM Fee by an estimated One Dollar (\$1.00) per ton.

The revenue/cost sharing schedule also anticipates that if the AD Facility is adapted to produce hydrogen, or any other product resulting from new technological developments, the OM fee will be adapted to share revenue via a reduction in the OM fee to be negotiated by the parties at the time the Facility is adapted to produce such products.

G. Pricing Limit

With regard to the OM Fee, there is also a pricing limit (most favored nation) provision under which DC/HZI commits to not provide a lower priced OM Fee to any other public entity, as defined in the Minnesota Statutes, that is delivering similar organic material that has the same or higher average contamination as material supplied by R&E. However, if R&E is not meeting its low range annual minimum amounts, DC/HZI will not be bound by the pricing limit and may enter into contracts with any public entity supplier at OM fees less than R&E's while R&E is not meeting its lower range annual minimums.

H. Delivery Shortfall

If R&E fails to deliver the annual minimum over a 12-month period, R&E must still pay for the tons obligated under the annual OM minimum. Further, R&E must pay DC/HZI an additional Twenty-Five Percent (25%) of the OM Fee as liquidated damages for the lost sale of RNG, BC and CM for the delivery shortfall tonnage. DC/HZI may procure additional tonnages from third parties to make up some or all of the delivery shortfall. The tonnage amount for the liquidated damages shall be measured by the actual delivery shortfall after DC/HZI and R&E have made efforts to obtain additional OM from third parties.

I. Acceptance Shortfall

At the same time, if DC/HZI fails to accept in any week Eighty Percent (80%) of the weekly maximum, which is deemed an acceptance shortfall, DC/HZI shall pay R&E One Thousand Dollars (\$1,000.00) per week as liquidated damages towards R&E's cost to dispose of the OM that was not accepted.

In addition, DC/HZI, in its reasonable discretion and in particular during AD Facility shutdowns, may divert up to a maximum of Ten Percent (10%) of OFS each year such that it bypasses the AD Facility and is processed into CM. However, R&E shall only pay the OFS Fee for such diverted OFS material.

J. Early Termination

The LOI provides for potential termination of the OM Agreement at any time by mutual written agreement of the parties or in the event of a bankruptcy of either of the parties. There is also an early termination option in the event of an uncured default after One Hundred and Twenty (120) days, or if there is a delivery shortfall of Twenty-Five Thousand (25,000) tons during any six-month period, or in the event there is an acceptance shortfall of at least Twenty-Five Thousand (25,000) within any six-month period.

K. Other Provisions

In addition, it is anticipated the OM Agreement will have further details and additional provisions relating to delivery and acceptance of OM, payments, quarterly and annual reporting, data practices, auditing, record retention, maintenance obligations, representations and warranties, performance bond and insurance, indemnification, force majeure, dispute resolution, venue, choice of law, and other miscellaneous provisions.

III. Risk Analysis

A. 12-Month Condition Precedent

The 12-month condition precedent related to assurance of the initial pricing is needed by DC/HZI to determine if grant funds and other benefits from recent federal and state legislation can be brought to bear to keep the initial fees at the levels set forth in the LOI. The risk of this approach is that DC/HZI cannot meet the condition precedent within the 12-month period and thus one year will have been lost in the effort to secure an AD project. There is also the potential that DC/HZI is not able to meet the initial pricing but can come close and requests that R&E accept somewhat higher initial pricing. While R&E would not be obligated to accept this, it could be viewed as necessary to proceed with the higher initial pricing so as not to have lost the prior 12-month period.

B. OFS Composting

DC/HZI will subcontract composting of OFS material, including food scrap bags, to SMSC in Shakopee for the initial pre-AD term, and for periods when the AD Facility cannot accept OFS material. Although DC/HZI has committed to having only a de-minimus amount of food scrap bag material (primarily knots and seams) ending up in compost residual, it is possible that greater amounts of bag material could end up in compost residual and be landfilled. In this event, contractual remedies will need to be pursued to minimize and resolve the problem.

C. OM Specifications

As previously noted, R&E will initially be delivering OFS material for composting while the AD Facility is being developed. That material must meet a specification of five percent (5%) contamination or less. Because R&E is just about to begin collecting food scrap bags and of the program will be through voluntary participation and reliance upon residents to provide relatively clean food scrap material, there will be initial uncertainty regarding ability of R&E to meet the 5% contamination limit. As such, R&E and Ramsey and Washington Counties must be prepared to diligently work through communications and other methods to ensure that the contamination limit can be met on the food scrap material. The ORM is also not currently being produced, but production will begin later this year after completion of the processing line at the R&E Center. Efforts will need to be made to test the material to make sure that it can meet the ORM specifications that are discussed in the LOI and will be established in the OM Agreement. It is possible that ORM material will not initially be able to meet the specifications and further expenditures for additional processing enhancements may be required by R&E to ensure that the ORM material can meet specifications once it is eligible for delivery to the AD Facility.

D. Pyrolysis Technology

As previously noted, DC/HZI plans to utilize pyrolysis technology to process digestate material produced from the AD process into BC material. It is expected that the BC material will have substantially greater value than the digestate material, and DC/HZI has provided initial evidence of a market for the material at approximately One Hundred Thirty Dollars (\$130.00) per ton. However, there can be no assurances that the pyrolysis technology will be able to produce BC material of high enough quality to obtain the anticipated market value. In such event, DC/HZI will not be meeting its performance standards and remedies will need to be exercised under the OM Agreement either in the form of changes to the OM Fee structure or requirements imposed upon DC/HZI to improve the pyrolysis technology to the point that it can meet prior expectations. At the same time, if the pyrolysis technology performs as hoped, it could have the impact over time of mitigating potential regulatory risks related to utilization of digestate material due to increasing regulations on contaminants of concern, in particular PFAS chemicals. The U.S. Environmental Protection Agency (EPA) and Minnesota Pollution Control Agency (MPCA), as well as federal and state legislative bodies, are increasingly focused on tighter regulation of PFAS contamination in the waste management system. If the pyrolysis technology through conversion of digestate into BC can substantially mitigate the regulatory risks presented by PFAS and other contaminants, it could prove to be a significant long-term solution to a growing problem.

E. Put or Pay Annual Minimums

DC/HZI has expressed strong concerns about the ramp-up nature of R&E's annual minimum delivery obligations. Because R&E is not currently producing either OFS or ORM, there are risks as to whether R&E can meet the annual minimums and, if it cannot, will be required to pay for processing of material that it is not supplying, as well as the Twenty-Five (25%) additional fee as liquidated damages. To mitigate this risk, significant efforts to accomplish needed participation in the FSB program will be essential.

F. Revenue/Cost Sharing

There is also potential risk to R&E related to the revenue/cost sharing model. As outlined in the memo from Ehlers, there is a large potential upside if the RNG market is strong throughout the contract period. However, there is also significant downside risk if the market declines. In particular, the most significant risk appears to be any potential loss of current federal or state regulatory or financial subsidies for production of RNG. If such programs are curtailed or eliminated, the potential for the RNG market to decline is strong and, therefore, the potential for the price paid by R&E to increase, potentially significantly, would result. As such, R&E must be prepared to take the risk associated with the revenue/cost sharing arrangement and establish one or more mechanisms to have the financial resources to be brought to bear in the event of a decline in the RNG market. Such options could include establishment of a larger operational reserve, funded either through tipping fee revenue, contribution of county environmental charge revenues, or other sources such as federal or state grant funds or appropriations.

MEMORANDUM

TO: Ramsey/Washington Recycling & Energy
FROM: Bruce Kimmel, Senior Municipal Advisor
DATE: February 6, 2023
SUBJECT: **Financial Considerations of Dem-Con/HZI Proposal for Anaerobic Digestion Facility**

Ramsey/Washington Recycling & Energy (R&E) has asked Ehlers, in our role as R&E's fiscal consultant, to evaluate two key financial considerations inherent in the Dem-Con/HZI proposal to fund, construct, and operate an anaerobic digestion (AD) facility for which R&E would serve as the primary feedstock provider.

Revenue Sharing Model

The first consideration is the "revenue sharing" component that Dem-Con/HZI has proposed as part of a future contract with R&E. With this mechanism, to the extent that market prices for renewable natural gas (RNG) and/or biochar exceed baseline levels set in the contract, Dem-Con/HZI would share a portion of the resulting benefit with R&E via reduced AD facility processing fees. As such, the sharing agreement would not hinge on actual Dem-Con/HZI production or resulting revenue generation, but rather the movement of RNG and biochar prices as defined in the future contract.

Ehlers believes the market price-based mechanism is superior to approaches based on AD facility revenues because the calculations will be more transparent and have far fewer inputs that could lead to future disagreements between R&E and Dem-Con/HZI. That said, the benefit sharing model introduces a degree of fiscal uncertainty that would not exist in a fixed processing fee model. We do not know how future RNG and biochar prices will change over future months and years, and while historical RNG prices firmly suggest future price increases, it is also possible that this upward trend line will be interrupted with indeterminate periods of no movement and/or downward movement.

Ehlers prepared four scenarios to gauge how a range of hypothetical future RNG price changes would affect (a) the AD facility processing fee that R&E would be obligated to pay to Dem-Con/HZI and then also (b) the REC tipping fee that R&E would need to collect from solid waste collectors / haulers. All scenarios assume unchanged biochar prices, focusing only on the effects of RNG price changes, and are detailed in the attached cashflow projections.

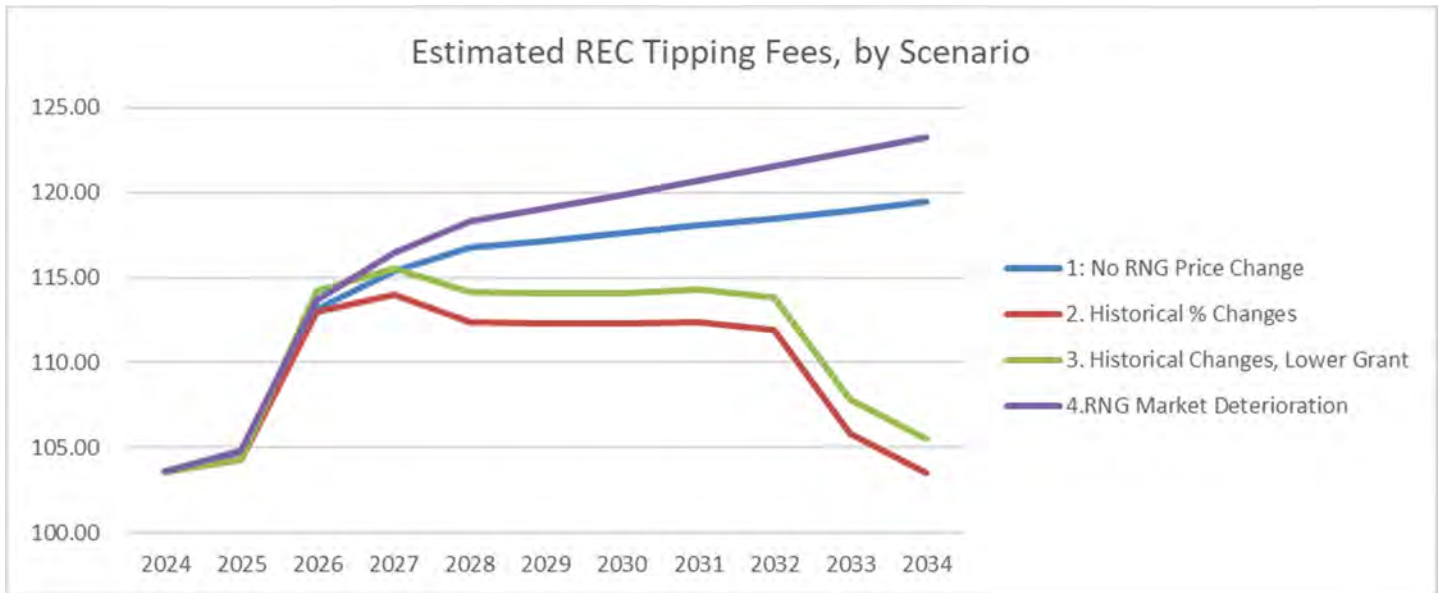
Scenario 1 assumes no future change in RNG prices from the \$40 per Million BTU (MMBTU) baseline price that we drew from current market conditions.

Scenario 2 forecasts future RNG price changes using the percentage changes over the past 10 years of RNG market activity.

Scenario 3 is similar to Scenario 2 but assumes the project garners \$6 million of grant funding instead of the \$12.5 million that is assumed in the current Dem-Con/HZI pricing model.

Scenario 4 assumes \$2 annual decreases in RNG prices, dropping the effective rate from the estimated \$40 per MMBTU to \$20 per MMBTU over 10 years.

The estimated REC tipping fees for these four scenarios are shown in the chart below. This estimated fees reflect just the impact of the AD facility and not other factors that could cause changes in future REC tipping fees.



Looking at 2034, the lowest projected REC tipping fee is \$103.50 (Scenario 2) and the highest is \$123.23 (Scenario 4), for a maximum difference of just under \$20 per ton. It is impossible to know precisely what the average effective net price for RNG will be in 2024, much less 2034. That said, looking over a decade of future AD facility operations, we believe it is reasonable to expect that RNG price inflation will at least offset inflationary increases in the AD facility processing fee – and in turn achieve relative stability in the REC tipping fee.

Fiscal Capacity for Project

The second issue that Ehlers has evaluated is Dem-Con/HZI’s capacity to successfully finance its proposed AD facility – or more specifically, whether there are any “red flag” concerns about the firm’s fiscal ability to meet the requirements of its letter of intent with R&E. Our review here focused solely on assessing the financial capacity of each firm to develop and operate their proposed AD facilities, and not on the technical, construction timing, or logistical aspects of either proposal.

In conducting our review, Ehlers first re-evaluated the financial aspects of Dem-Com/HZI’s responses to R&E’s Phase 1 and Phase 2 requests for proposal (RFPs) as well as our notes from the detailed fiscal discussions that we had with each firm earlier this year. We also queried several public records databases and internet search engines for news and information relating to each firm’s fiscal health.

SUBJECT: *Organic Materials Supply Agreement Recommendation*



In our review, we did not find any information that caused us to question Dem-Con/HZI's capacity to develop its proposed AD facility as anticipated. In addition, HZI's recent announcement of a \$7 million dollar expansion of its North American headquarters in Tennessee reflects that firm's increasing investment and participation in projects like its proposed joint venture with Dem-Con.

Further, our brief review of other recent renewable energy projects of various types indicates strong interests among banks and other financial institutions in financing such deals, which is relevant to Dem-Con/HZI's plans to utilize bank financing for the majority of its anticipated net capital cost.

Thank you for the opportunity to assist R&E with this financial review, and please contact me at bkimmel@ehlers-inc.com or (651) 697-8572 with any questions and/or to request further analysis.

AD Facility - Comparative REC Tipping Fee Impact Analysis

DC HZI Scenario 1: \$115 Starting ORM Charge, \$107 Starting OFS Charge, No RNG or Biochar Price Changes

Calendar Year	<i>Estimated Inflation:</i> 2024	3.00% 2025	3.00% 2026	3.00% 2027	3.00% 2028	3.00% 2029	3.00% 2030	3.00% 2031	3.00% 2032	3.00% 2033	3.00% 2034
Estimated Inputs											
ORM to AD Facility (Tons)			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
ORM Processing Charge / Ton	115.00	118.45	122.00	125.66	129.43	133.32	137.32	141.44	145.68	150.05	154.55
OFS to AD Facility (Tons)	3,684	10,872	18,720	26,292	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OFS Processing Charge / Ton	70.00	72.00	113.52	116.92	120.43	124.04	127.76	131.60	135.54	139.61	143.80
Estimated R&E Expenses											
ORM Processing Charges	-	-	2,440,070	2,513,272	2,588,670	2,666,330	2,746,320	2,828,710	2,913,571	3,000,978	3,091,008
OFS Processing Charges	257,880	782,784	2,125,025	3,074,108	3,612,883	3,721,270	3,832,908	3,947,895	4,066,332	4,188,322	4,313,972
411201 To be Determined	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	257,880	782,784	4,565,095	5,587,380	6,201,554	6,387,600	6,579,228	6,776,605	6,979,903	7,189,300	7,404,979
Estimated Revenue Sharing (Expense Offset)											
Assuming No Revenue Sharing											
Annual Revenue Requirement	257,880	782,784	4,565,095	5,587,380	6,201,554	6,387,600	6,579,228	6,776,605	6,979,903	7,189,300	7,404,979
Required REC Tipping Fee Revenue	257,880	782,784	4,565,095	5,587,380	6,201,554	6,387,600	6,579,228	6,776,605	6,979,903	7,189,300	7,404,979
divided by: Tons Budget	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
equals: Required Tipping Fee per REC Ton:	0.57	1.74	10.14	12.42	13.78	14.19	14.62	15.06	15.51	15.98	16.46

DC HZI Scenario 2: \$115 Starting ORM Charge, \$107 Starting OFS Charge, Annual RNG Rate Changes Matching Last 10 Years (as % of Previous Year)

Calendar Year	<i>Estimated Inflation:</i> 2024	3.00% 2025	3.00% 2026	3.00% 2027	3.00% 2028	3.00% 2029	3.00% 2030	3.00% 2031	3.00% 2032	3.00% 2033	3.00% 2034
Estimated Inputs											
ORM to AD Facility (Tons)			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
ORM Processing Charge / Ton	115.00	118.45	122.00	125.66	129.43	133.32	137.32	141.44	145.68	150.05	154.55
OFS to AD Facility (Tons)	3,684	10,872	18,720	26,292	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OFS Processing Charge / Ton	70.00	72.00	113.52	116.92	120.43	124.04	127.76	131.60	135.54	139.61	143.80
Estimated R&E Expenses											
ORM Processing Charges	-	-	2,440,070	2,513,272	2,588,670	2,666,330	2,746,320	2,828,710	2,913,571	3,000,978	3,091,008
OFS Processing Charges	257,880	782,784	2,125,025	3,074,108	3,612,883	3,721,270	3,832,908	3,947,895	4,066,332	4,188,322	4,313,972
411201 To be Determined	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	257,880	782,784	4,565,095	5,587,380	6,201,554	6,387,600	6,579,228	6,776,605	6,979,903	7,189,300	7,404,979
Estimated Revenue Sharing (Expense Offset)											
Scenario RNG Price per MMBTU	40.00	50.88	41.12	48.11	63.09	65.79	68.25	69.96	75.05	109.51	124.45
Scenario BioChar Price per Ton	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00
RNG Change in Combined OM Fees (\$1.70 Fee Change per \$1 Change)		(201,015)	(73,636)	(638,260)	(1,962,502)	(2,192,298)	(2,400,962)	(2,546,235)	(2,979,412)	(5,908,638)	(7,178,454)
Biochar Change in Combined OM Fees (\$1 Fee Change per \$5 Change)		-	-	-	-	-	-	-	-	-	-
Net Increase / (Reduction)		(201,015)	(73,636)	(638,260)	(1,962,502)	(2,192,298)	(2,400,962)	(2,546,235)	(2,979,412)	(5,908,638)	(7,178,454)
Annual Revenue Requirement	257,880	581,769	4,491,459	4,949,119	4,239,051	4,195,303	4,178,266	4,230,370	4,000,492	1,280,662	226,525
Required REC Tipping Fee Revenue	257,880	581,769	4,491,459	4,949,119	4,239,051	4,195,303	4,178,266	4,230,370	4,000,492	1,280,662	226,525
divided by: Tons Budget	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
equals: Required Tipping Fee per REC Ton:	0.57	1.29	9.98	11.00	9.42	9.32	9.29	9.40	8.89	2.85	0.50

AD Facility - Comparative REC Tipping Fee Impact Analysis
DC HZI Scenario 3: Scenario 2 but Assuming Starting Charge is \$12 Higher (due to \$6M grant shortfall)

Calendar Year	Estimated Inflation:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Estimated Inputs												
ORM to AD Facility (Tons)			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
ORM Processing Charge / Ton	127.00	130.81	134.73	138.78	142.94	147.23	151.64	156.19	160.88	165.71	170.68	
OFS to AD Facility (Tons)	3,684	10,872	18,720	26,292	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OFS Processing Charge / Ton	70.00	72.00	129.43	133.31	137.31	141.43	145.67	150.04	154.55	159.18	163.96	
Estimated R&E Expenses												
ORM Processing Charges	-	-	2,694,686	2,775,527	2,858,792	2,944,556	3,032,893	3,123,880	3,217,596	3,314,124	3,413,548	
OFS Processing Charges	257,880	782,784	2,422,926	3,505,057	4,119,362	4,242,943	4,370,231	4,501,338	4,636,378	4,775,470	4,918,734	
411201 To be Determined	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses	257,880	782,784	5,117,612	6,280,584	6,978,155	7,187,499	7,403,124	7,625,218	7,853,975	8,089,594	8,332,282	
Estimated Revenue Sharing (Expense Offset)												
Scenario RNG Price per MMBTU	40.00	50.88	41.12	48.11	63.09	65.79	68.25	69.96	75.05	109.51	124.45	
Scenario BioChar Price per Ton	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	
RNG Change in Combined OM Fees (\$1.70 Fee Change per \$1 Change)		(201,015)	(73,636)	(638,260)	(1,962,502)	(2,192,298)	(2,400,962)	(2,546,235)	(2,979,412)	(5,908,638)	(7,178,454)	
Biochar Change in Combined OM Fees (\$1 Fee Change per \$5 Change)		-	-	-	-	-	-	-	-	-	-	
Net Increase / (Reduction)		(201,015)	(73,636)	(638,260)	(1,962,502)	(2,192,298)	(2,400,962)	(2,546,235)	(2,979,412)	(5,908,638)	(7,178,454)	
Annual Revenue Requirement	257,880	581,769	5,043,976	5,642,324	5,015,652	4,995,202	5,002,162	5,078,983	4,874,563	2,180,956	1,153,828	
Required REC Tipping Fee Revenue	257,880	581,769	5,043,976	5,642,324	5,015,652	4,995,202	5,002,162	5,078,983	4,874,563	2,180,956	1,153,828	
Tons Budget	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	
divided by:												
equals:	Required Tipping Fee per REC Ton:	0.57	1.29	11.21	12.54	11.15	11.10	11.12	11.29	10.83	4.85	2.56

DC HZI Scenario 4: \$115 Starting ORM Charge, \$107 Starting OFS Charge, \$2 Annual Decreases in RNG Prices

Calendar Year	Estimated Inflation:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Estimated Inputs												
ORM to AD Facility (Tons)			20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
ORM Processing Charge / Ton	115.00	118.45	122.00	125.66	129.43	133.32	137.32	141.44	145.68	150.05	154.55	
OFS to AD Facility (Tons)	3,684	10,872	18,720	26,292	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OFS Processing Charge / Ton	70.00	72.00	113.52	116.92	120.43	124.04	127.76	131.60	135.54	139.61	143.80	
Estimated R&E Expenses												
ORM Processing Fees	-	-	2,440,070	2,513,272	2,588,670	2,666,330	2,746,320	2,828,710	2,913,571	3,000,978	3,091,008	
OFS Processing Fees	257,880	782,784	2,125,025	3,074,108	3,612,883	3,721,270	3,832,908	3,947,895	4,066,332	4,188,322	4,313,972	
411201 To be Determined	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses	257,880	782,784	4,565,095	5,587,380	6,201,554	6,387,600	6,579,228	6,776,605	6,979,903	7,189,300	7,404,979	
Estimated Revenue Sharing (Expense Offset)												
Scenario RNG Price per MMBTU	40.00	38.00	36.00	34.00	32.00	30.00	28.00	26.00	24.00	22.00	20.00	
Scenario BioChar Price per Ton	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	130.00	
RNG Change in Combined OM Fees (\$1.70 Fee Change per \$1 Change)		36,965	263,296	472,178	680,000	850,000	1,020,000	1,190,000	1,360,000	1,530,000	1,700,000	
Biochar Change in Combined OM Fees (\$1 Fee Change per \$5 Change)		-	-	-	-	-	-	-	-	-	-	
Net Increase / (Reduction)		36,965	263,296	472,178	680,000	850,000	1,020,000	1,190,000	1,360,000	1,530,000	1,700,000	
Annual Revenue Requirement	257,880	819,749	4,828,391	6,059,558	6,881,554	7,237,600	7,599,228	7,966,605	8,339,903	8,719,300	9,104,979	
Required REC Tipping Fee Revenue	257,880	819,749	4,828,391	6,059,558	6,881,554	7,237,600	7,599,228	7,966,605	8,339,903	8,719,300	9,104,979	
Tons Budget	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	
divided by:												
equals:	Required Tipping Fee per REC Ton:	0.57	1.82	10.73	13.47	15.29	16.08	16.89	17.70	18.53	19.38	20.23



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

R&E BOARD MEETING DATE:	March 1, 2023			AGENDA ITEM:	VIII			
SUBJECT:	Updates and Reports							
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)							

R&E BOARD ACTION REQUESTED:

For information only.

EXECUTIVE SUMMARY:

a. Joint Activities Updates

Staff continue to work on the development of the food scraps pickup program, including preparation for launching a pilot program with about 2,200 households in four communities this spring. Staff will provide an update to the board on overall progress and important details related to the pilot, outreach efforts and timeline.

b. Facility Updates

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

c. Procurement Report

Staff will provide a written report of new contracts and amendments executed under the authority of R&E’s procurement guidelines during the period January 1, 2023, through January 31, 2023. Funding for the contracts is available in the approved Joint Activities, Facility and EM&R Budgets, following approval as to form by the Ramsey County or Washington County attorney’s office.

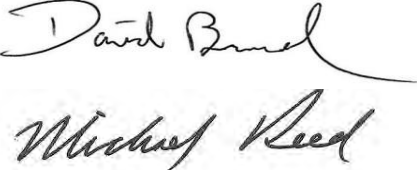
ATTACHMENTS:

1. Procurement Report

FINANCIAL IMPLICATIONS:

None.

SUBJECT: *Updates and Reports*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	2/22/23
	



Report of all professional service and supplies, equipment, material, and labor (SEML) contracts, amendments and solicitations issued and executed under authority of Ramsey/Washington Recycling & Energy’s procurement guidelines (Resolution R&EB 2022-06), January 1, 2023, through January 31, 2023.

Vendor	Effective Date	Description	NTE/Budgeted Amount	Procurement Type
African Economic Development Solutions	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
Latino Chamber of Commerce	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
AMG Resources Corporation	1/1/23	Facility – Purchase of recovered ferrous materials.	NA	Revenue Agreement
Stoel Reeves, LLP	1/1/23	Facility – External legal services.	Rate Setting	Professional Service
Vomela Specialty Company	1/1/23	Facility – Decals for R&E trailers.	Rate Setting	SEML
MN Glove Inc.	1/1/23	Facility – Safety gloves and vests.	Rate Setting	SEML
Corval Constructors, Inc.	1/1/23	Facility – Specialized labor services.	Rate Setting	SEML
Ehlers & Associates, Inc.	1/1/23	Facility – Strategic financial advisor services.	Rate Setting	Professional Service
Baldwin Supply Company	1/1/23	Facility – Parts and supplies for R&E equipment.	Rate Setting	SEML
Oxygen Service Company	1/1/23	Facility – Welding parts & supplies.	Rate Setting	SEML
Vadnais Heights Economic Development Corporation	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
White Bear Area Chamber of Commerce	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
Sustainable Stillwater MN	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
Minnesota Hmong Chamber of Commerce	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
East Side Area Business Association	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service

SUBJECT: *Procurement Report*

EcoConsilium, Inc.	1/1/23	Joint Activities -- Technical assistance & consultation services for institutional generators of organics waste.	\$100,000 for 2023	Professional Service
The Forest Lake Area Chamber of Commerce	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
Woodbury Area Chamber of Commerce	1/1/23	Joint Activities – Renews agreement for BizRecycling promotions.	\$15,000 per year	Professional Service
Metropolitan Gravel Co.	1/1/23	Facility – Inbound transportation services.	Rate Setting	Professional Service
Metropolitan Gravel Co.	1/1/23	Facility – Outbound transportation services.	Rate Setting	Professional Service
Atlas Technical	1/1/23	Facility -- Industrial Hygiene Monitoring Services.	\$20,000 per year	Professional Service
Impact Group, Inc.	1/1/23	Facility – IT leadership services.	\$152,875 per year	Professional Service
Magotteaux, Inc.	1/1/23	Facility – Flail mill parts.	Rate Setting	SEML
Linders Specialty Company Inc.	1/1/23	Facility – Specialty maintenance services for apron conveyor rails.	\$10,000 per year	SEML
Becker Fire & Safety Services	1/1/23	Facility – Fire extinguisher parts, servicing, and training.	\$3,000 per year	Professional Service
Steel Sales Corp	1/1/23	Facility – Specialty metal supplies and services.	Rate Setting	SEML
Industrial Welders & Machinists Inc.	1/1/23	Facility – Provides welding, fabrication, and machining services.	Rate Setting	SEML
Landfill Agreements	1/1/23	Agreements entered into to use Waste Management’s Elk River, Burnsville, and Spruce Ridge facilities.	Rate Setting	Landfill Services
Transload Agreements	1/1/23	Four of five completed in January.	Rate Setting	Transload Services
Waste Delivery Agreements	1/1/23	11 Additional agreements in January for a total of 84 Completed agreements.	NA	Waste Delivery