



MEETING NOTICE
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD

Date: Thursday, March 23, 2023

Time: 10:00 a.m. – 12:00 p.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: 421 093 678# | 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 – March 1, 2023** Action Page 2
- IV. Consent Agenda** Action Page 7
 - a. County Environmental Charge Compliance Review Services Contract
- V. Governance - No items.**
- VI. Management and Administration**
 - a. Facility & Finance Committee Report
- VII. Policy - No items.**
- VIII. Updates and Reports** Information Page 9
 - a. Joint Activities Updates - Food Scraps Pickup Program
 - b. Planning Updates
 - c. Facility Updates
 - d. Procurement Report Page 11
- IX. Other**
 - a. Invitation for Comments from Ex Officio R&E Board Members: Information
MPCA City of Newport
- X. Adjourn**

NEXT MEETING: R&E Board | Thursday, April 27, 2023 | 10:00 a.m. – 12:00 p.m. | Ramsey County EH Maplewood



WEDNESDAY, MARCH 1, 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, March 1, 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, Rafael Ortega, Victoria Reinhardt, Mai Chong Xiong – Ramsey County

MEMBERS NOT PRESENT

Commissioner Gary Kriesel (alternate) - Washington County
Commissioner Mary Jo McGuire (alternate) - Ramsey 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, Danielle Germundson, Kelli Hall, Sam Hanson, Sam Holl, Kevin Johnson, Bill Keegan, Jennefer Klennert, Nate Klett, Juna Ly, Jim Redmond, Michael Reed, John Ristad, Bob Roche, Jody Tharp, Kris Wehlage

ATTENDING REMOTELY

Joel Anderson, Kate Bartelt, Renee Burman, Gary Bruns, Alison Cameron, Shannon Conk, Max Dalton, Angiulo Damiani, Shannon Eisentrager, Amanda Erickson, Tutu Fatukasi, Sam Ferguson, Rae Eden Frank, Jamie Giesen, Thomas Gratz, Cassie Hagen, Tabatha Hansen, Filsan Ibrahim, Caleb Johnson, Jenny Kedward, Hannah Keller, Julie Ketchum, Dave Magnuson, Ashley Marston, Leslie Duling McCollam, Daniel Mock, Rob Murray, Gabe Reynolds, Uriel Rosales Tlatenchi, Minette Saulog, Jenna Venem, Kirsten Wahlberg, Ami Wazlawik, Caleb Werth, Susan Young

CALL TO ORDER / APPROVAL OF THE AGENDA / APPROVAL OF MINUTES

Chair Miron called the meeting to order at 8:40 a.m. Introductions of attendees in Maplewood were made.

Commissioner Reinhardt moved, seconded by Karwoski, to approve the agenda as presented.
Motion carried. Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, Miron, Reinhardt, Xiong
Nays: None

Commissioner Bigham moved, seconded by Frethem, to approve the minutes of January 25, 2023.
Motion carried. Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, Miron, Reinhardt, Xiong
Nays: None

CONSENT AGENDA

Commissioner MatasCastillo moved, seconded by Karwoski, to approve Resolution R&EB-2023-02, Consent Agenda. The R&E Board approves the following upon approval as to form by the Ramsey and Washington County attorneys:

- 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.
- Authorization for the JLT to approve the modified Waste Delivery Agreement with the City of Saint Paul.

Motion carried. Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, Miron, Reinhardt, Xiong
Nays: None

GOVERNANCE

Alternate to the Partnership on Waste and Energy (PWE) Board

Chair Miron explained the need for action to rescind the January 25, 2023, appointment of a commissioner from Washington County to the PWE Board. A resolution is required to rescind the appointment of Commissioner Karwoski and to ratify the appointment of Commissioner Bigham.

Commissioner Karwoski moved, seconded by Frethem, to approve Resolution R&EB-2023-03, Alternate to the PWE Board. The R&E Board approves the rescission of the Washington County PWE Board alternate ratified on January 25, 2023. The R&E Board Chair has appointed a new Washington County PWE Governing Board alternate on March 1, 2023, subject to R&E Board ratification.

Motion carried. Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, Miron, Reinhardt, Xiong
Nays: None

MANAGEMENT AND ADMINISTRATION

Facility & Finance Committee Report

Commissioner MatasCastillo, chair of the Facility & Finance (F&F) Committee, introduced the presentation of the organic material supply agreement recommendation.

Organics Feedstock Supply Agreement Recommendation

Sam Holl, R&E facility manager, introduced members of the proposal review and negotiations team, which included Sam Holl (lead), Michael Reed, Dave Brummel, Leigh Behrens, Jim Redmond, Nate Klett (Foth), Jennefer Klennert (HDR), Kevin Johnson (Stoel-Rives) and Bruce Kimmel (Ehlers). R&E requested that the F&F Committee recommend approval of a letter of intent (LOI) with Dem-Con/Hitachi Zosen Inova (DC/HZI) to the full R&E Board.

Leigh Behrens, R&E projects planning manager, provided an overview of the strategic case and approach for anaerobic digestion (AD). She reviewed the revised scope for resource management, described the approach to date and the benefits of AD to Ramsey/Washington Counties.

Nate Klett, Foth, provided background information about AD technology, a process where micro-organisms break down organic material in the absence of oxygen. Inputs include animal manure, wastewater biosolids, food waste and fats, oils and grease (FOG), industrial organic residuals and biosolids. The output is biogas, primarily methane and carbon dioxide, with trace amounts of water vapor and other gases.

Carbon dioxide and other gases can be removed, leaving only methane, the primary component of natural gas.

Klett explained pyrolysis, the thermal degradation process of materials at an elevated temperature in the absence of oxygen. Inputs can include organic materials and plastic materials. Outputs include biochar (used in soil amendment), bio-oil, syngas, biogas and trace gasses (e.g., hydrogen). He explained potential benefits and cautions of pyrolysis.

Commissioner Ortega arrived.

Holl reviewed the procurement history and timeline, including end markets phase I and II requests for proposals (RFPs) and competitive negotiations.

Kevin Johnson, Stoel Rives, reviewed analysis of proposals submitted by two vendors. Both had expressed a desire to become exclusive. R&E moved to the LOI approach which allows exclusive negotiations for 60 days with a single vendor. The terms are non-binding, but the LOI outlines key terms of a 20-year organic-rich material (ORM) supply agreement. There are no obligations until a final agreement is reached.

Key proposed terms include:

- 12-month condition precedent for DC/HZI to certify initial anaerobic digestion fees based upon grants and other local, state and federal incentives
- Four-year interim composting term using Shakopee Mdewakanton Sioux Community (SMSC) to compost food scrap material
- Composting fees of \$70/ton increasing to \$74.15

AD Facility

- Estimated 2026 commencement
- Will accept food scraps and ORM produced at the R&E Center
- Will produce pipeline quality renewable natural gas, compost material via continued relationship with SMSC, and biochar using pyrolysis technology on the digestate

Delivery, Acceptance and Processing

- R&E has increasing annual minimums to deliver up to 50k tons per year
- Estimated 30k tons of food scraps and 20k tons of organic-rich material (ORM)
- ORM contamination limits are outlined
- DC/HZI has performance standards to meet

Financial structure

- Initial food scraps fee is \$107 per ton, adjusted by CPI each year
- Initial ORM fee is \$115 per ton, adjusted by CPI each year
- Most favored nation pricing limit for similar suppliers
- Revenue/cost sharing tied to renewable natural gas and biochar markets
- Revenue/cost sharing tied to renewable natural gas (RNG) and biochar markets (if revenue from RNG goes up, our fee goes down; if it goes up, our fee goes up)

Johnson outlined key risks and mitigation for the agreement, including time lost in moving forward with AD should condition precedent not be met; specifications on organic materials could require additional processing and impact the R&E tipping fee; pyrolysis has potential market and contamination mitigation benefit, but some risk in use of the technology on digestate from ORM; put or pay annual minimums will require meeting food scraps recycling participation and resident ability to provide relatively clean material; revenue/cost sharing has potential for significant favorable decrease in ORM fees, but also increases, and a larger operating reserve may be needed to buffer market swings.

R&E Board 3/1/2023

Sam Holl presented financial scenarios for R&E from 2024 through 2034 that estimated R&E Center tipping fees under four scenarios.

Holl presented the next steps in the process:

- March 1, 2023 - Recommendation of LOI approval for the R&E Board
- 60 days of final negotiations with DC/HZI
- May 2023: Anticipated agreement execution
- Mid-2023: Interim processing of organics by composting
- 2026: Anticipated AD commencement

Commissioner Karwoski asked whether this is a 20-year non-binding agreement, whether R&E can terminate the agreement should DC/HZI not meet R&E's needs and whether there is enough flexibility for general performance that would allow a termination of the contract. Johnson said it is 12-month condition precedent if they can't meet the agreement, after which it is a binding 20-year agreement. Because DC/HZI is making a roughly \$70 million commitment, it is in their interest to meet R&E's needs. The only way out of the contract is if one side is dramatically failing to meet their obligation.

Commissioner Reinhardt noted that this is not unlike contracts with NSP/Xcel when the facility was purchased. It is important to note the environmental benefits are significant and the value to residents of the tipping fee is still less than what it would have been had the facility not been purchased.

Commissioner Xiong asked for further explanation of financial scenarios for R&E and whether the vendor will be building out current facilities. Holl stated that the vendor is building new facilities and creating capacity specific to R&E. R&E will pay the tip fee and supply the food scrap bags and organic rich materials (ORM) feedstocks.

Commissioner Frethem said there is always going to be some risk involved in bringing in another company to manage this. This particular vendor was really clear about how they did their work and also how it created a circular economy. The vendor utilizes both dry and wet AD and recommended this approach with our feedstocks. We were able to see both technologies in action.

Commissioner Clasen asked how the ups and downs of the tip fee would be managed. Holl indicated that R&E would need to set up a reserve fund through the facility budget to manage this issue.

Commissioner Clasen inquired what happens to the agreement in the event of an issue with the relationship between DC and HZI. Johnson said that, while it isn't addressed in the LOI, it will be in the signed agreement.

Commissioner Reinhardt moved, seconded by MatasCastillo, to approve Resolution R&EB-2023-04, Organic Material Supply Agreement Recommendation. The R&E Board:

- Approves the letter of intent between the Dem-Con Companies, LLC and Hitachi Zosen Inova USA LLC joint venture and 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.

Motion carried. Ayes: Bigham, Clasen, Frethem, Karwoski, MatasCastillo, Miron, Ortega, Reinhardt, Xiong
Nays: None

UPDATES AND REPORTS

Joint Activities Update - Food Scraps Pickup Program

Sam Hanson, R&E Joint Activities manager, provided an update on the pilot program launch. Starting in April 2023, approximately 2,200 households in four cities in Ramsey and Washington counties will be eligible to test the program during the pilot. Portions of Maplewood, North St. Paul, Newport and Cottage Grove will be involved with the program pilot.

Andrea McKennan, Ramsey County, shared communication aspects of the pilot program, including outreach and education efforts. To reach pilot residents and encourage participation, several communications tactics will be used, such as a postcard, mailing packet and geotargeted social media posts. Educational resources about the program will be available as well, including virtual information sessions, program website, customer service, videos and newsletters. More information will be distributed to pilot municipalities in the coming weeks.

Commissioner Miron inquired when scaleup would begin following the pilot. McKennan said that information will be presented to the R&E Board at the March 23 meeting. Hanson said the intention is to be in phased ramp-up in 2023, likely in fourth quarter.

Commissioners shared ideas for engaging with commissioners in the pilot areas, school districts, University of Minnesota Extension, and other communication strategies.

Invitation for Comments from Ex Officio R&E Board Members

Dave Benke, Minnesota Pollution Control Agency (MPCA), shared the agency’s excitement about this technology and project. They appreciate the concern and approach to managing ORM, and are ready to help with permitting and policy efforts.

Facility Updates

Sam Holl, R&E Center facility manager, gave an update on the recyclable recovery line construction, which is expected to be commissioned and operational in the second quarter 2023. He shared a timelapse video of construction of the R&E Center processing enhancements.

Procurement Report

Jim Redmond, R&E contract manager, presented the report for the period January 1, 2023 through January 31, 2023.

OTHER

R&E Board Meeting Schedule Changes

Chair Miron noted that, due to commissioner schedule conflicts, the start time for the September 21 and December 7 R&E Board meetings have been changed to 9:00 a.m. - 11:00 a.m.

ADJOURN

Chair Miron declared the meeting adjourned at 10:36 a.m.

ATTESTED TO:

Approved: _____
March 23, 2023

Approved: _____
March 23, 2023



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

R&E BOARD MEETING DATE:	March 23, 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. County Environmental Charge Compliance Review Services Contract

ATTACHMENTS:

1. Draft Resolution



RESOLUTION R&EB-2023-05

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 August 2, 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 compliance review services related to the collection of the County Environmental Charge by haulers; and

WHEREAS, The current contract to provide these services expired on December 31, 2022; and

WHEREAS, On February 1, 2023, R&E released a request for proposals (RFP) to find a new provider for these services, which closed on March 1, 2023, and received three responses; and

WHEREAS, A review team consisting of staff from Washington County, Ramsey County, and R&E evaluated the proposals based on the criteria laid out in the RFP; and

WHEREAS, The review team recommends the selection of CliftonLarsonAllen, LLP to provide compliance review services based on the pricing offered and experience in forensic accounting and working with governmental entities. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board hereby authorizes the Joint Leadership Team (JLT) to approve an agreement with CliftonLarsonAllen, LLP for an initial term of one-year, and amendments thereto, for a full potential term of up to five years from the date of execution upon approval as to form by the county attorney and within the project budget.

Fran Miron, Board Chair
March 23, 2023

Attest
March 23, 2023



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

R&E BOARD MEETING DATE:	March 23, 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. Planning Updates

Staff will provide updates on progress that Ramsey/Washington Recycling & Energy has made on goals for the East Metro’s solid waste system.

c. Facility Updates

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

d. 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 of February 1, 2023 through February 28, 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.

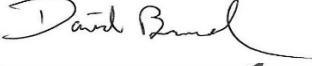

ATTACHMENTS:

1. Procurement Report

FINANCIAL IMPLICATIONS:

None.

SUBJECT: *Updates and Reports*

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM	3/16/23
 	



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

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), February 1, 2023, through February 28, 2023.

Vendor	Effective Date	Description	NTE/Budgeted Amount	Procurement Type
MA Associates – KT Products	2/1/23	Facility – Cleaning supplies for the facility.	\$15,000 per year	SEML
Industrial Rubber & Supply Co.	2/1/23	Facility – Eddy current belts for the facility.	Under \$10,000 per year	SEML
Krech O’Brien Mueller and Associates (KOMA)	1/1/23	Facility – Architectural Services.	\$25,000 credit	Professional Service
Midway Chamber of Commerce	2/10/23	Joint Activities – BizRecycling community outreach services.	\$15,000	Professional Service
Loaves & Fishes	1/1/23	Joint Activities – Food recovery services.	\$25,000	Professional Service
Elizabeth A Finn REV TRS	1/30/23	Joint Activities – Deconstruction grant.	Up to \$5,000	Professional Service
Xcel Energy, Enterprise Learning and Technical Training	2/1/23	Facility – Training services for Facility staff.	\$48,600	Professional Service
East Side Neighborhood Development Company	1/1/23	Joint Activities – BizRecycling outreach & promotion	\$15,000 for 2023	Professional Service
Allied Waste of North America, LLC	1/1/23	Facility – Transload agreement.	Rate Setting	SEML
Express Images	1/1/23	Joint Activities – Marketing materials for BizRecycling	Budget of \$50,000 per year	Professional Service