



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

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

Date: Thursday, October 12, 2023

Time: 2:00 pm to 3:30 pm

Commissioners, Key staff, Presenters:

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

Public: [Microsoft TEAMS](#) | Phone Conference ID: 231 365 992# | Call in (audio only): 1-323-792-6297

AGENDA

I. Call to Order, Commissioner Roll Call, Introductions

II. Approval of Agenda Action Page 1

III. Approval of Minutes – July 13, 2023 Action Page 2

IV. Business
a. 2023 Budget Discussion Policy Discussion Page 5

V. Updates and Reports Information Page 6
a. R&E Center Updates

VI. Adjourn



THURSDAY, JULY 13, 2023
RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD
FACILITY & FINANCE COMMITTEE MINUTES

A meeting of the Ramsey/Washington Recycling & Energy Facility & Finance Committee (F&FC) was held at 10:00 a.m. on Thursday, July 13, 2023, at the Ramsey County Environmental Health Office, 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 Trista Martinson, Victoria Reinhardt – Ramsey County
Commissioner Karla Bigham – Washington County

ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD

Leigh Behrens, Dave Brummel, Cassie Lefeber, Sam Hanson, Sam Holl, Kevin Johnson, Nate Klett, Michael Reed, John Ristad, Bob Roche, Jody Tharp, Darren Tobolt

ATTENDING REMOTELY

Gary Bruns, Tammy Christopherson, Shannon Conk, Ben Clark, Amanda Erickson, Rae Eden Frank, Annalee Garletz, Jaimie Giesen, Tabatha Hansen, Julie Ketchum, Randy Kiser, Leslie McCollam, Jennifer Nguyễn Moore, Jim Redmond, Gabe Reynolds, Renee Vought, Caleb Werth, Susan Young

CALL TO ORDER/APPROVAL OF THE AGENDA

Chair Martinson called the meeting to order at 10:00 a.m. Commissioner Reinhardt moved, seconded by Bigham, to approve the agenda as presented. Motion carried. Ayes: 3, Nays: 0.

APPROVAL OF MINUTES

Commissioner Reinhardt moved, seconded by Bigham, to approve the minutes of April 13, 2023. Motion carried. Ayes: 3, Nays: 0.

BUSINESS

2023 Budget Update

Joint Activities Budget

Sam Hanson, R&E Joint Activities manager, provided projections for the 2023 budget. R&E anticipates having unspent funds in the Joint Activities Budget by the end of 2023, currently estimated at \$2.5 million. Joint Activities often has a push for grants in the fall, so the numbers are likely to change. Primary factors for unspent funds include ongoing lack of staff capacity to work on Joint Activities projects and actual costs for the food scraps pickup program lower than original projections.

Commissioner Martinson asked about the major reasons for the projected \$1.3 million surplus for food scrap recycling. Hanson explained that projections were originally made in 2020-21 when the program was being developed. Actual costs were less than anticipated; for example, bags were half the cost than initially projected. Additionally, there was no specific rollout timeline when the budget projections were made. The project start date was delayed, and the approach changed to a pilot and phased rollout. The

delay created a snowball effect, reducing costs in multiple areas, including bag production, warehousing and delivery.

Commissioner Martinson asked whether the projections are already figured into the next budget. Michael Reed, Ramsey County and R&E Joint Leadership Team (JLT), said a prior policy used excess funds to offset tipping fees. In 2022, the R&E Board opted for a different approach, directing excess funds into a contingency fund within the Equipment Maintenance & Replacement (EM&R) Budget. This is a policy decision made by the board.

Facility Budget

Sam Holl, R&E Center facility manager, discussed operating expenses within the Facility Budget. Personnel costs show an anticipated surplus; however, R&E is working on hiring additional staff for the processing enhancements, and contracted staff are being used for overnight shifts and cleaning. The insurance market continues to be challenging, with increases anticipated. Projected transportation and transload deficits reflect the increased costs associated with new contracts that began in January 2023. Considering all of these variables, the 2023 Facility Budget is projected to run a deficit.

Revenue is calculated based on tonnages of 443k tons for 2023 and is on track with 2020-21 projections.

Commissioner Reinhardt asked about a plan to cover the Facility Budget's \$871k deficit. Dave Brummel, Washington County, stated that the handling of deficits and surpluses is a policy decision rather than being defined by bylaws and, as such, is a board decision.

Equipment Maintenance & Replacement (EM&R) Budget

The equipment and maintenance portion of the budget has a projected \$400k surplus, partly due to the installation of a new dust collection system rather than rebuilding the old one. Recyclables revenue is projected to have a surplus of approximately \$250k, primarily due to favorable commodity processing. Surpluses are transferred to an EM&R reserve fund.

Commissioner Martinson asked when an updated budget projection will be brought back to the committee. Michael Reed, Ramsey County and R&E Joint Leadership Team (JLT), said that no future F&FC meetings are scheduled in 2023; however, a meeting can be arranged ahead of a subsequent R&E Board meeting and 2023 budget projection updates provided.

Commissioner Bigham inquired whether there are any outstanding applications for grants. Reed shared that Ramsey County made an application on behalf of R&E for a \$4 million Environmental Protection Agency (EPA) solid waste infrastructure for recycling (SWIFR) grant. The grant request was designed to offset the cost of sortation at transfer stations. R&E continues to pursue additional funding through state and federal grants.

UPDATES AND REPORTS

Facility Update

Sam Holl shared that negotiations for the anaerobic digester (AD) are progressing. Since the letter of intent (LOI) was agreed to in March 2023, many negotiation sessions have been held, and on July 7, 2023, parties came to an agreement on cost/revenue sharing, with a goal of bringing the agreement to the R&E Board meeting on July 27, 2023.

Commissioner Reinhardt shared that Commissioners Miron and Reinhardt met with the Minnesota Pollution Control Agency (MPCA) regarding permitting for AD and pyrolysis. It was a productive meeting for understanding different funding sources, the timeline for permitting and what R&E and the MPCA need to do to ensure the entire project is permitted correctly. It also established productive lines of communication between R&E, MPCA and R&E's private partner, DemCon/Hitachi Zosen.

Holl provided an update on processing enhancements. The two new lines have been commissioned. The food scrap bag sortation line is running weekly for the program pilot, and robots are improving in their ability to correctly identify food scrap bags. There have been some issues with equipment not working for the resource recovery line, and new parts were ordered.

One proposal was received from Xcel for the refuse-derived fuel (RDF) request for information (RFI). R&E staff, commissioners and consultants will tour a facility in Oregon in August to look at different technologies as an alternative to combustion and landfills. Reed said the reason to bring committee members on these trips is to look for credible partners with facilities that operate at scale, can do what is claimed and are not in the research and development phase.

Holl shared that R&E has valid opportunities with four organizations for transfer sortation sites that will cover the geographic needs of the two counties. Holl hopes to have recommendations for the board in September or October.

Commissioner Reinhardt asked how many sortation facilities are needed, where they would be located and whether there would be more than one partner vendor. Holl indicated that one is needed in the north, for example, Blaine, and one or two required in the central corridor. R&E will likely choose a partner in the Blaine area and a different one in the central corridor. Having four valid organizations provides for a competitive process. The goal is to have an agreement in place by the end of 2023; the vendor then goes into design, permitting and construction phases. R&E anticipates having sortation capability within one-and-a-half years after an agreement is signed.

ADJOURN

Chair Martinson declared the meeting adjourned at 10:47 a.m.

ATTESTED TO:

Approved: _____
October 12, 2023

Approved: _____
October 12, 2023



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R&E BOARD FACILITY & FINANCE COMMITTEE MEETING DATE:		October 12, 2023		AGENDA ITEM:		IV.a	
SUBJECT:	2023 Budget Update						
TYPE OF ITEM:	<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	
SUBMITTED BY:	Joint Leadership Team (JLT)						

FACILITY & FINANCE COMMITTEE ACTION REQUESTED:

For information.

EXECUTIVE SUMMARY:



Staff will provide an update on the status of the 2023 Ramsey/Washington Recycling & Energy budgets (Joint Activities, Facility and Equipment Maintenance & Replacement) and year-end projections.

ATTACHMENTS:

None.

FINANCIAL IMPLICATIONS:

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM  	10/3/23



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R&E BOARD FACILITY & FINANCE COMMITTEE MEETING DATE:		October 12, 2023		AGENDA ITEM:		V.	
SUBJECT:	Updates and Reports						
TYPE OF ITEM:	<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION	
SUBMITTED BY:	Joint Leadership Team						

FACILITY & FINANCE COMMITTEE ACTION REQUESTED:

None.

EXECUTIVE SUMMARY:

R&E Center Updates


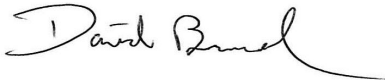
Staff will provide updates on R&E Center projects and operations. This will include an update on the organic material supply agreement for anaerobic digestion.

ATTACHMENTS:

None.

FINANCIAL IMPLICATIONS:

None.

AUTHORIZED SIGNATURES	DATE
JOINT LEADERSHIP TEAM  	10/4/23