



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

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

**Date:** Monday, October 14, 2024

**Time:** 2:30 – 4 p.m.

**Commissioners, Key staff, Presenters:**

Ramsey County Environmental Health | 2785 White Bear Ave N. | 2<sup>nd</sup> 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: 824 527 517 # | Call in (audio only): 1-323-792-6297

**AGENDA**

**I. Call to Order, Introductions**

<b>II. Approval of Agenda</b>	Action	Page 1
<b>III. Approval of Minutes – July 10, 2024</b>	Action	Page 2
<b>IV. Business</b>		
a. NSP Contract Amendment – Insurance	Action	Page 4
b. Anaerobic Digestion Contract Amendment	Action	Page 12
<b>V. Updates and Reports</b>	Information	Page 17
a. R&E Center Updates		
<b>VI. Motion to Close Meeting</b>	Action	
Upon majority vote, this meeting may be closed as permitted by Minn. Stat. section 13D.03, to discuss general labor negotiation strategies related to negotiations with IBEW Local 23.		
<b>VII. Adjourn</b>		

**NEXT MEETING:**

R&E Board Facility & Finance Committee | Thursday, February 13, 2025 | 10 - 11:30 a.m. |  
Ramsey County Environmental Health, Maplewood

**\*Note:** An additional meeting may be scheduled sooner if needed.



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

**RAMSEY/WASHINGTON RECYCLING & ENERGY BOARD  
FACILITY & FINANCE COMMITTEE MINUTES  
MONDAY, JULY 10, 2024**

The Ramsey/Washington Recycling & Energy Board Facility & Finance Committee held a business meeting at 2 p.m. 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 Victoria Reinhardt, Mai Chong Xiong – Ramsey County  
Commissioner Karla Bigham – Washington County

**ATTENDING AT RAMSEY ENVIRONMENTAL HEALTH, MAPLEWOOD**

Leigh Behrens, Dave Brummel, Sam Holl, Jennefer Klennert, Nate Klett, Cassie Lefeber, David McConnell, Matt Phillips, Jim Redmond, Michael Reed, John Ristad, Jody Tharp, Renee Vought, Caleb Werth

**CALL TO ORDER**

Chair Bigham called the meeting to order at 2 p.m. Introductions were made.

**AGENDA OF JULY 10, 2024 PRESENTED FOR APPROVAL**

Motion by Xiong, seconded by Moran. Motion passed.

Aye: Bigham, Reinhardt, Xiong

Nay: None

**MINUTES FROM JUNE 13, 2024 PRESENTED FOR APPROVAL**

Motion by Reinhardt, seconded by Xiong. Motion passed.

Aye: Bigham, Reinhardt, Xiong

Nay: None

**BUSINESS**

**Future of Refuse-Derived Fuels (RDF)**

Presented by: Sam Holl, R&E Center facility manager  
Leigh Behrens, R&E planning & project manager

Information only. Discussion can be reviewed via video file for one year.

Holl provided an overview of the RDF management topic for committee review prior to the July 25, 2024, R&E Board workshop. Topics covered included R&E strategic foundations, historical RDF management methods and financial impacts, current and projected R&E Center financial commitments and future pathways for managing RDF.

Behrens provided background on RDF management. The work to explore the future of RDF predates the existence of R&E, beginning in 2015. She reviewed the current state of the East Metro waste system.

Holl reviewed R&E Center production of RDF, roughly 330k tons per year, while also recovering metals and food scrap bags. R&E pays a fee to Xcel, equating to \$6.5M per year, to deliver RDF to two waste-to-energy facilities. This relationship with Xcel goes back to 1987, predating R&E’s 2016 ownership.

Holl reviewed background of RDF management and current procurement efforts for vendors to use RDF. Xcel was the only respondent to a November 2022 request for information (RFI). R&E continues to engage with Xcel and other technology providers for use of RDF after the December 31, 2027, expiration of the current Xcel agreement.

Holl reviewed the financial impact of R&E efforts by looking at historic R&E Center tipping fees from 2013 through 2024 and financial commitment projections. He also reviewed the projected tipping fee from 2025 through 2027 and the impact of new technologies that will come online on tipping fees.

A letter of intent was signed with Xcel in December 2023 for a 10-year agreement starting in 2028, with built-in flexibility for transition to alternative technologies. R&E and Xcel are in negotiations for that agreement. Holl reviewed the benefits of continuing the Xcel partnership.

Strategic priorities for RDF solutions will be discussed at the R&E Board workshop. Holl reviewed several options and their identified considerations. Discussion will focus on recognition of trade-offs that prevent considerations from being applied at equal priority. He reviewed the household impact of anticipated 2028 tipping fees, and steps to be taken following the board workshop. Staff plan to bring recommendations forward to the Facility & Finance Committee and the board by the end of 2024 for selection of one or more vendors to receive RDF.

## **UPDATES AND REPORTS**

### **Facility Update**

Presented by: Sam Holl, R&E Center Facility Manager  
Information only. Discussion can be reviewed via video file for one year.

## **ADJOURNMENT**

Chair Bigham declared the meeting adjourned at 3:34 p.m.

ATTEST:

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Commissioner Karla Bigham, Chair  
October 14, 2024

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October 14, 2024



**RAMSEY/WASHINGTON  
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<b>FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>	October 14, 2024		<b>AGENDA ITEM:</b>	IV.a				
<b>SUBJECT:</b>	NSP Contract Amendment – Insurance							
<b>TYPE OF ITEM:</b>	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input checked="" type="checkbox"/>	ACTION	<input type="checkbox"/>	CONSENT
<b>SUBMITTED BY:</b>	Trista Martinson, R&E Executive Director							

**R&E BOARD ACTION REQUESTED:**

The Ramsey/Washington Recycling & Energy (R&E) Board Facility & Finance Committee is requested to recommend to the R&E Board that it:

1. Approve the contract amendment between Northern States Power Company (NSP) and the R&E Board to the refuse-derived fuel feedstock supply agreement dated January 1, 2018.

**EXECUTIVE SUMMARY:**

R&E has a refuse-derived fuel (RDF) feedstock supply agreement in place with NSP effective January 1, 2018 through December 31, 2027. Recently there was a change in federal rules made effective by U.S. Environmental Protection Agency designating two PFAS/PFOA substances as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). These are just two of thousands of “forever chemicals” that are used in products that eventually become part of the waste stream.

R&E and NSP have negotiated terms to address environmental liability insurance policy and potential future environmental costs. The environmental liability insurance policy will cover NSP’s three RDF plants and current ash landfills in Goodhue and Blue Earth Counties. The term of this amendment will align with the RDF feedstock supply agreement expiring December 31, 2027. Future environmental costs shall not exceed \$1.00 per ton without written consent of R&E or by further amendment of the agreement.




**ATTACHMENTS:**

1. Draft Resolution

**FINANCIAL IMPLICATIONS:**

Environmental fee will be \$1.50 per ton. Estimated financial impact will be \$450,000 annually, starting in 2025.

**SUBJECT: NSP Contract Amendment- Insurance**

<b>AUTHORIZED SIGNATURES</b>		<b>DATE</b>
<b>R&amp;E EXECUTIVE DIRECTOR</b>		10/7/24
<b>RAMSEY COUNTY ATTORNEY</b>		10/8/24
<b>WASHINGTON COUNTY ATTORNEY</b>		10/7/24



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

**RESOLUTION R&EB-FFC-2024-05  
NSP Contract Amendment**

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 July 18, 2023 (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, R&E has a refuse-derived fuel (RDF) feedstock supply agreement with Northern States Power Company (NSP) to provide a minimum of 300,000 tons per year of fuel to NSP's waste-to-energy facilities through 2027; and

WHEREAS, Effective August 8, 2024, the U.S. Environmental Protection Agency (EPA) designated two PFAS/PFOA substances as hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); and

WHEREAS, NSP and R&E staff, in coordination with other feedstock providers, have worked on strategies to mitigate additional risk created by the EPA ruling; and

WHEREAS, The proposed contract amendment will allow for an environmental liability insurance policy and the ability to adjust the contract for future environmental costs up to an additional \$1.00 per ton. NOW, THEREFORE, BE IT

RESOLVED, The R&E Board Facility & Finance Committee recommends the R&E Board approve the contract amendment between Northern States Power Company and the Ramsey/Washington Recycling & Energy Board to the refuse-derived fuel feedstock supply agreement dated January 1, 2018.

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Karla Bigham, Committee Chair  
October 14, 2024

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Attest  
October 14, 2024

## Amendment 1 to Refuse-Derived Fuel Supply Agreement

This Amendment 1 ("Amendment") is dated as of October 24, 2024 and pertains to and is made a part of that Refuse-Derived Fuel Supply Agreement ("Agreement") dated January 1, 2018 between Northern States Power Company, a Minnesota corporation ("NSP"), and the Ramsey/Washington Recycling and Energy Board, a joint powers board comprised of Ramsey and Washington Counties, Minnesota ("R&E Board" and "R&E"). This Amendment is effective upon execution by both Parties. All undefined capitalized terms herein shall have the meanings ascribed to such terms as set forth in the Agreement.

1. Amendments. The Parties hereby agree to amend the Agreement as follows:

- a) Article 5 of the Agreement, Unacceptable Waste, is modified by adding the following new Section 5.3.1:

"5.3.1 The Parties acknowledge that the municipal solid waste delivered to the Facility and used by R&E to produce RDF may contain per- and polyfluoroalkyl substances ("PFAS"), which based on existing and/or emerging laws and regulations could be considered and declared a hazardous or toxic substance by third parties, including, but not limited to, Governmental Authorities. The Parties acknowledge that R&E may deliver, and NSP may accept, RDF that may contain PFAS. NSP and R&E shall respond to any and all PFAS Losses as defined in Section 13.5.2, caused by or arising from the combustion of RDF containing PFAS by NSP at the Plants, or disposal of ash containing PFAS from the Plants at NSP's current ash landfills in Goodhue and Blue Earth Counties, as set forth in Sections 8.8, 8.9, 12.2(c) 13.5, and 16.12(b), below."

- b) Article 8 of the Agreement, Payments, is hereby modified by adding two new sections 8.8 and 8.9 as follows:

"8.8 **Environmental Fee.** For each ton of conforming RDF that R&E delivers and NSP receives and combusts at the Plant per calendar month, R&E will pay NSP an Environmental Fee of either: (1) One Dollar and Fifty Cents (\$1.50) per ton if paying on a monthly basis each month until the Annual RDF Minimum is reached for the calendar year or (2) One Dollar and Forty Five Cents (\$1.45) per ton if pre-paying the entire amount owed for the calendar year based on the Annual RDF Minimum by January 1 of that same calendar year (the "Environmental Fee"). Notwithstanding the foregoing, the Environmental Fee will not apply to any conforming RDF that R&E delivers to NSP that is in excess of the Annual RDF Minimum. This Environmental Fee will be used to reimburse NSP for R&E's percentage share of the Environmental Impairment Liability Insurance policy that NSP procures for the Parties and other current suppliers of RDF to the Plants pursuant to Article 12 and to address future Environmental Costs as described in Section 8.9. The amount of the Environmental Fee may need to be adjusted from time to time by NSP to address changes in the Environmental Impairment Liability Insurance policy when renewed as described in 12.2(c)(iii) to the extent the Term of this Agreement is extended, or as Environmental Costs arise as described in Section 8.9. The Environmental Fee price per ton amount assumes that R&E has met the Annual RDF Minimum, as required under the Agreement. In the event R&E delivers less than the minimum contractually guaranteed tonnage, there will be a true up of amounts owed to NSP for any shortfall at the end of each year.

8.9 **Future Environmental Costs.** NSP and R&E shall discuss the incremental costs that may arise for the design, operation, and construction of any future change to the Plants that is required by or results from the adoption, promulgation, issuance, material modification or change in interpretation, on or after April 26, 2024, of any federal, State or local law, regulation, rule, requirement, permit condition, or

ordinance intended for the protection of the environment and any other law directly related to the Facility as distinct from utility facilities generally (“Environmental Costs”). This includes the implementation of pollution control technology utilized for the detection, treatment, removal, and/or destruction of PFAS or increased fees charged (such as, by way of example, wastewater disposal fees that may be charged due to the presence of PFAS in leachate). A law, regulation, rule, requirement, permit condition, or ordinance is deemed to be modified or changed in interpretation when it is in final form and effective or will become effective without any further action by any federal, State or local governmental body, administrative agency or governmental official having jurisdiction over the Plant. This Section shall also apply to any environmental-related change required to the Plant if such change is required solely because of the presence of PFAS in the RDF used as a fuel at the Plant. After discussion of any future Environmental Costs, the Environmental Fee may be adjusted by NSP, at its sole discretion, to address such Environmental Costs, provided however: (a) any adjustment of the Environmental Fee by NSP shall not occur until after sixty (60) days prior written notice to R&E and (b) the total Environmental Fee described in Section 8.8 shall never exceed Two Dollars and Thirty-Two Cents (\$2.32) per ton without the prior written consent of R&E or by further amendment of the Agreement.”

- c) Article 12 of the Agreement, Covenants of NSP, is modified by replacing Section 12.2 (c), with the following:

“12.2 (c) Environmental Impairment Liability Insurance.

- (i) **Coverage.** NSP shall obtain, on commercially reasonable terms and conditions acceptable to NSP in its sole discretion, on its behalf and on R&E's and other fuel providers behalf, Environmental Impairment Liability Insurance coverage for a three year period of coverage in the amount of Fifty Million dollars (\$50 million) to address potential PFAS Contamination and/or offsite PFAS Losses, as defined in Sections 13.5.1 and 13.5.2. When such Environmental Impairment Liability Insurance is obtained, NSP shall provide R&E with two (2) copies of insurance certificates evidencing that such Environmental Impairment Liability Insurance coverage is in force. In the event coverage is triggered under the Environmental Impairment Liability Insurance, NSP shall be responsible for paying the self-insured retention. In the event coverage is triggered R&E and NSP will also meet at least semi-annually to discuss whether the Parties plan to obtain additional coverage, if available, to protect against the erosion of the Fifty Million coverage amount.
- (ii) **Insurance Certificate Requirements.** Such insurance certificates shall:
  - a. name NSP as insured and name R&E (along with other fuel providers) as additional insureds on a primary and noncontributory basis;
  - b. provide that NSP and R&E shall receive thirty (30) Days prior written notice of non-renewal, cancellation of, or significant modification to any of the corresponding policies (except that such notice may be ten (10) Days for non-payment of premiums); and
  - c. provide a waiver of any rights of subrogation against R&E, and its parents, affiliates and officers, directors, agents, subcontractors, and employees.
- (iii) **Renewal.** The Parties further agree that Environmental Impairment Liability Insurance coverage that is procured as described in 12.2(c)(i) above shall be renewed after each three (3) year period on substantially the same terms and conditions as the initial policy, with both Parties (and other fuel providers) being covered.



- (iv) **Notice.** NSP shall notify R&E of the following events:
  - a. Any claim is submitted against the Environmental Impairment Liability Insurance policy by NSP;
  - b. NSP's satisfaction of the self-insured retention;
  - c. Any effective trigger of coverage against the Environmental Impairment Liability Insurance policy; and
  - d. If applicable, semi-annual reports pertaining to any claims pending or in process."
  
- d) Article 13 of the Agreement, Indemnification; Limitation on Damages, is hereby renamed and amended with the following additions:
  - "13. Indemnification; Limitation on Damages, Release and Covenant.
    - 13.5 **PFAS Release and Covenant.** Except in cases of negligence or intentional misconduct on the part of NSP, to the extent permitted by law, R&E shall release and covenant not to sue NSP and its employees, officers, directors, parent, Affiliates, agents, for PFAS Losses as defined below. For the purposes hereof:
      - 13.5.1 "PFAS Contamination" means the presence of PFAS substances at such levels, quantities or location, or of such form or character, that requires investigation, remediation, monitoring, or restoration under Applicable Law.
      - 13.5.2 "PFAS Losses" means all claims, demands, lawsuits (including citizen suits), losses, Injuries, liabilities, costs, fines, penalties, and expenses (including reasonable attorneys' fees), arising out of or related to PFAS Contamination at or emanating from the Plants, and/or the disposal of ash from the Plants at NSP's current ash landfills in Goodhue and Blue Earth Counties accepting ash from the Plants.
      - 13.5.3 "Applicable Law" means all laws, including but not limited to nuisance, trespass and other common law doctrines, statutes, treaties, codes, ordinances, regulations, certificates, orders, licenses and permits of any Governmental Authority that are applicable to a Party, the business of a Party, the Plants, now in effect or hereafter enacted, including amendments to or interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards and/or like actions.
      - 13.5.4 "Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, regulatory, or administrative agency, commission, body, or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; and/or any court or governmental tribunal.
      - 13.5.5 "Injuries" means (1) death, personal injury, bodily injury, or property, environmental, or natural resources damages; (2) loss of profits or other economic injury; and (3) disease or actual or threatened health effect.
  
- e) Article 16, Section 16.12 of the Agreement, Arbitration, is hereby renamed and amended with the following additions:
  - "16.12 Arbitration and Mediation.

- a. **Arbitration.** In the event of a dispute, claim or disagreement between the Parties arising out of, under, in connection with, or in relation to this Agreement that has not been resolved in accordance with the provisions of Sections 7.2, 16.12(b), or 9.2 of this Agreement, such disputes, claims or disagreements must be submitted to binding arbitration by the American Arbitration Association, in accordance with the rules of the American Arbitration Association. Any arbitration hearing will be limited to not more than two days. Unless otherwise agreed by the parties, such arbitration will occur in Hennepin County, Minnesota. A decision of the arbitrator(s) will be final and binding upon all parties, and judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The arbitrator(s) is entitled to award or include in any award the specific performance of the terms of this Agreement. The costs of any arbitration proceeding will be paid equally by the Parties, and the Parties will pay their own attorneys' fees and expenses, but the prevailing Party will be entitled to recover its reasonable attorneys' fees and expenses from the losing Party.
  - b. **Mediation/PFAS Losses.** It is the Parties' good faith intent to attempt to first exhaust all available insurance coverage for PFAS Losses through the Environmental Impairment Liability insurance in place prior to NSP commencing any legal action, arbitration, lawsuit, or claim arising out of or in connection with PFAS Losses against R&E in order to minimize litigation and encourage the resolution of disputes through the insurance mechanisms in place. Prior to arbitration under Section 16.2(a) of this Agreement, the Parties also agree to first attempt to resolve any dispute, controversy, or claim arising out of or relating to PFAS Losses under this Agreement, by mediation in accordance with the rules and procedures set forth in this section. Either Party may initiate mediation by providing written notice to the other Party of the dispute and a request for mediation. The notice shall include a brief description of the nature of the dispute and the relief sought. The Parties shall mutually agree upon a mediator within thirty (30) days of the request for mediation. If the Parties cannot agree on a mediator, either Party may request that a reputable mediation service provider appoint a mediator. The mediation shall be scheduled within sixty (60) days of the appointment of the mediator, unless otherwise agreed by the Parties. All communications, negotiations, and settlement discussions related to the mediation shall be confidential and inadmissible in any subsequent legal proceedings, except as required by law. The costs of the mediation, including the mediator's fees and expenses, shall be shared equally by the Parties, unless otherwise agreed. All statutes of limitation and defenses based on the passage of time applicable to any dispute, controversy, or claim between the Parties shall be tolled while the mediation is pending. The Parties agree to take such action, if any, required to effectuate such tolling. The mediation shall be terminated upon the earliest of the following: (1) the execution of a settlement agreement by the Parties; (2) a written declaration by the mediator that further efforts at mediation are no longer worthwhile; or (3) the issuance of a written notice by either Party to the mediator and the other Party stating that the mediation proceedings are terminated. The mediation process is non-binding. If the Parties are unable to reach a mutually acceptable resolution through mediation, following termination of the mediation, the Parties will resolve their dispute through arbitration as described in Section 16.12 (a)."
2. **Governing Terms.** As modified by this Amendment, NSP and R&E agree that the terms and conditions set forth in the Agreement, and all exhibits, schedules, addenda, and prior modifications thereto, if any, shall remain in full force and effect and shall govern, control, and contain the entire understanding between the Parties with respect to the subject matter of this Amendment, except as otherwise modified by the express written agreement of the Parties. In the event that any terms of this Amendment are inconsistent with the terms of the Agreement, then the terms of this Amendment shall control.

**IN WITNESS WHEREOF**, the duly authorized representatives of the Parties hereto have executed this Amendment to be effective upon the date of signature by both Parties.

**NSP**

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**R&E Board**

Signature \_\_\_\_\_

Name: Fran Miron

Title: Chair

Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Marcelo Neblett  
Assistant Ramsey County Attorney

\_\_\_\_\_  
John Ristad  
Assistant Washington County Attorney



**RAMSEY/WASHINGTON  
RECYCLING & ENERGY**  
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<b>FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>	October 14, 2024	<b>AGENDA ITEM:</b>	IV.b	
<b>SUBJECT:</b>	Anaerobic Digestion Contract Amendment			
<b>TYPE OF ITEM:</b>	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> POLICY DISCUSSION	<input checked="" type="checkbox"/> ACTION	<input type="checkbox"/> CONSENT
<b>SUBMITTED BY:</b>	Trista Martinson, R&E Executive Director			

**R&E BOARD ACTION REQUESTED:**

The Ramsey/Washington Recycling & Energy (R&E) Board Facility & Finance Committee is requested to recommend to the R&E Board that it:

1. Approve the contract amendment between Dem-Con HZI BioEnergy, LLC and R&E Board extending the early termination trigger deadline to December 31, 2024.

**EXECUTIVE SUMMARY:**

Ramsey/Washington Recycling & Energy (R&E) entered into a feedstock supply agreement with Dem-Con HZI BioEnergy, LLC (DC/HZI) effective September 7, 2023. The agreement included an early termination trigger date dependent on the ability of DC/HZI to offer the minimum pricing detailed in the agreement within 12 months of the effective date. DC/HZI was unable to offer the minimum pricing, and both parties have been working on an amendment to the current agreement within the R&E's early termination deadline. Both parties have agreed to extend the termination deadline to allow more time to negotiate amended terms to the agreement.




**ATTACHMENTS:**

1. Draft resolution
2. Contract amendment to Feedstock Supply Agreement

**FINANCIAL IMPLICATIONS:**

None at this time. The feedstock supply agreement approved on September 7, 2023 has an estimated annual impact of \$6,000,000 starting in the second quarter of 2027.

**SUBJECT:** *Anaerobic Digestion Contract Amendment*

AUTHORIZED SIGNATURES	DATE
R&E EXECUTIVE DIRECTOR	10/4/24
	
RAMSEY COUNTY ATTORNEY	10/4/24
	
WASHINGTON COUNTY ATTORNEY	10/4/24
	



**RESOLUTION R&EB-FFC-2024-06**  
**Anaerobic Digestion Amendment**

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 July 18, 2023 (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 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, R&E executed a feedstock supply agreement with Dem-Con HZI BioEnergy, LLC (DC/HZI) on September 7, 2024; and

WHEREAS, DC/HZI was unable to certify pricing within 12 months and allows the R&E Board an option for early termination within 60 days as detailed in the agreement; and

WHEREAS, Both parties have been working on negotiating a contract amendment and would like to extend the early termination deadline to December 31, 2024, to allow for additional negotiations.  
NOW, THEREFORE, BE IT

RESOLVED, The R&E Board Facility & Finance Committee recommends the R&E Board approve contract amendment between Dem-Con HZI BioEnergy, LLC and Ramsey/Washington Recycling and Energy extending the early termination trigger deadline to December 31, 2024.

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Karla Bigham, Committee Chair  
October 14, 2024

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Attest  
October 14, 2024

# **First Amendment to Feedstock Supply Agreement**

## **Between Dem-Con HZI BioEnergy, LLC and Ramsey/Washington Recycling and Energy Board**

This First Amendment ("First Amendment") to the Feedstock Supply Agreement ("Agreement") is made and entered into on October 24, 2024, by and between Dem-Con HZI BioEnergy, LLC ("Operator") and Ramsey/Washington Recycling and Energy Board ("Supplier"). The Operator and Supplier are collectively referred to as the "Parties."

### **Recitals**

WHEREAS, the Parties entered into the Agreement effective September 7, 2023, whereby the Supplier agreed to provide organic material for the Operator to process into renewable natural gas (RNG), biochar, and other products; and

WHEREAS, Section 3.2 of the Agreement provides a termination right to Supplier exercisable within 60 days following the first anniversary of the Agreement's effective date ("Early Termination Trigger Date") if Operator is not able to offer the Minimum Pricing as described in Section 3.2(a) of the Agreement; and

WHEREAS, Operator was not able to offer the Minimum Pricing as described; and

WHEREAS, in order to continue efforts to resolve various issues associated with Operator's inability to offer the Minimum Pricing, the Parties desire to extend the deadline for exercise of Supplier's termination right from November 6, 2024 (60 days after the Early Termination Trigger Date of September 7, 2024) to December 31, 2024.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. The second sentence of Section 3.2 of the Agreement is hereby deleted and replaced with the following sentence:

Following the first anniversary date of the Effective Date ("Early Termination Date"), Supplier shall have a termination right, exercisable upon delivery of written notice to Operator by December 31, 2024, to terminate this Agreement if, and only if, Operator is not able to offer the Minimum Pricing as described in 3.2(a) below.

2. Except as expressly amended by this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the day and year first above written.

**OPERATOR**  
**Dem-Con HZI BioEnergy, LLC**

By: \_\_\_\_\_

Name: Bill Keegan

Title: President

**SUPPLIER**  
**Ramsey/Washington Recycling and Energy Board**

By: \_\_\_\_\_

Name: Fran Miron

Title: Chair

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: \_\_\_\_\_

Marcelo Neblett  
Assistant Ramsey County Attorney

By: \_\_\_\_\_

John Ristad  
Assistant Washington County Attorney





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<b>R&amp;E BOARD FACILITY &amp; FINANCE COMMITTEE MEETING DATE:</b>		October 14, 2024		<b>AGENDA ITEM:</b>		V.a.	
<b>SUBJECT:</b>		Updates and Reports					
<b>TYPE OF ITEM:</b>		<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>	POLICY DISCUSSION	<input type="checkbox"/>	ACTION
<b>SUBMITTED BY:</b>		Trista Martinson, Executive Director					

**FACILITY & FINANCE COMMITTEE ACTION REQUESTED:**

For information only.

**EXECUTIVE SUMMARY:**

Staff will provide updates on R&E efforts and operations, including:


- a. R&E Center Updates

**ATTACHMENTS:**

None.

**FINANCIAL IMPLICATIONS:**

None.

AUTHORIZED SIGNATURES	DATE
<p><b>R&amp;E EXECUTIVE DIRECTOR</b></p> 	<p>10/7/2024</p>